

DIANA TEA COMPANY LIMITED

Annual Report 2014



Corporate INFORMATION

BOARD OF DIRECTORS

Mr. Sandeep Singhania	<i>Managing Director</i>
Mrs. Sarita Singhania	<i>Director (Sales & Marketing)</i>
Mr. Harish Parekh	<i>Independent Director</i>
Mr. N. F. Tankariwala	<i>Independent Director</i>
Mr. Gautam Bhalla	<i>Independent Director</i>

COMPANY SECRETARY

Mr. Manoj Agarwala

CHIEF FINANCIAL OFFICER

Mr. Ramesh Kumar Jhunjhunwala

AUDITORS

Das & Prasad
Chartered Accountants
4, Chowringhee Lane
Kolkata - 700 016

BANKERS

United Bank of India
Punjab National Bank
HDFC Bank Ltd.

GARDENS

Diana Tea Estate
P. O. Banarhat - 735 202
Dist. : Jalpaiguri

Baintgoorie Tea Estate
P. O. Mal - 735 221
Dist. : Jalpaiguri

Good Hope Tea Estate
P. O. Dam Dim - 735 209
Dist. : Jalpaiguri

REGISTERED OFFICE

Sir R. N. M. House
3B, Lal Bazar Street
Kolkata - 700 001
Phone : (033) 2248-8672, 4066 1590-93
Fax : (033) 2248-7571
E-mail : contactus@dianatea.in
Website : www.dianatea.in
CIN : L15495WB1911PLC002275

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor, Kolkata - 700 001
Phone : (033) 2243-5029/5809, 2248-2248
Fax : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Between

**THE
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Notice

NOTICE is hereby given that the 104th Annual General Meeting of **Diana Tea Company Limited** will be held on Friday, June 26, 2015, at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071 at 10.30 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at December 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr. Sandeep Singhania (DIN : 00343837) who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

“**RESOLVED THAT** pursuant to the provisions of sections 139(2) and 142 of the Companies Act, 2013 and rules made there under and pursuant to recommendation of Audit committee, the retiring Auditors, M/s. Das & Prasad, Chartered Accountants (Firm Registration No. 303054E) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Hundred and Fourth Annual General Meeting until the conclusion of the Hundred and Seventh Annual General Meeting of the Company subject to ratification of the appointment by the shareholders at every Annual General Meeting held after this Annual General Meeting at a remuneration to be fixed by the Board of Directors based on recommendation of Audit committee in consultation with the Auditor from time to time in addition to reimbursement of all out-of pocket expenses as may be incurred in connection with the audit of the accounts of the Company plus applicable service tax.”

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolutions as an **Ordinary Resolution** :
 “**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time

being in force) and Clause 49 of the Listing Agreement, Mr. Gautam Bhalla (DIN : 00675609), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office from the conclusion of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 109th Annual General Meeting of the Company in the calendar year 2020, whichever is earlier.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Gautam Bhalla (DIN : 00675609) be paid such fees and remuneration as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Harish Parekh (DIN : 00026530), Director of the Company, who retires by rotation at the Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, not liable to retire by rotation, to hold office from the conclusion of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 109th Annual General Meeting of

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the Company in the calendar year 2020, whichever is earlier.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Harish Parekh (DIN : 00026530) be paid such fees and remuneration as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolutions as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. N. F. Tankariwala (DIN : 00035400), Director of the Company, who retires by rotation at the Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, not liable to retire by rotation, to hold office from the conclusion of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 109th Annual General Meeting of the Company in the calendar year 2020, whichever is earlier.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. N. F. Tankariwala (DIN : 00035400) be paid such fees and remuneration as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution** :

“**RESOLVED THAT** pursuant to the provisions of Section 233B of the Companies Act, 1956 read with Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof and as amended from time to time) as applicable, the remuneration payable to M/S. Rana Ghosh to conduct the audit of Cost Accounting Records maintained by the Company as applicable, for the year ended 31st December, 2015 as approved by the Board of Directors based on the recommendation of the Audit Committee, the details of which are given in the Explanatory Statement in respect of this item of business be and is hereby ratified.”

9. To re-appoint Mr. Sandeep Singhania (DIN : 00343837) as Managing Director and in this regard to consider and, if thought fit to pass, with or without modification(s), the following Resolutions as a **Special Resolution** :

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) the consent and approval of the Company be and is hereby granted to the re-appointment of Mr. Sandeep Singhania (DIN : 00343837) as Managing Director (MD) of the Company for a period of five(5) years with effect from 27th August, 2015 on such terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Sandeep Singhania subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof. Mr. Sandeep Singhania (DIN : 00343837) shall also be liable to retire by rotation at the Annual General Meetings in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Managing Director in case he is re-appointed by the shareholders.”

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“**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Sandeep Singhania office as Managing Director, the remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Sandeep Singhania as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II(A) of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof”.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration (subject to the approval of Nomination and Remuneration Committee) in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Sandeep Singhania shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid letter between the Company and Mr. Sandeep Singhania shall be suitably modified to give effect to such variation or increase as the case may be.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For and on behalf of the Board

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : May 11, 2015

Manoj Agarwala
Company Secretary
Membership No. 23053

Notes :

1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

IN TERMS OF RULE 19 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014, A PERSON CAN ACT AS A PROXY ON BEHALF OF THE

MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THOSE CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY PERSON OR SHAREHOLDER. A PROXY FORM IN FORM MGT-11 FOR THE AGM IS ENCLOSED HEREWITH.

- 2) The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- 3) The Register of Members and Share Transfer Register of the Company will remain closed from June 19, 2015 to June 26, 2015 (both days inclusive) for the purpose of Annual General Meeting and payment of dividend.
- 4) The dividend on Equity Shares as recommended by the Board, if declared, will be payable on or after June 26, 2015 to those members whose names appear on the Register of Members of the Company as on June 26, 2015 or to their mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
- 5) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use bank details furnished by the investors for distributing dividends or other cash benefits to them through National Electronic Clearing Services (NECS), wherever NECS and bank details are available. In the absence of NECS facility, companies are required to print the bank details, if available, on the payment instrument for distribution of dividends to the investors. Therefore, members holding shares in physical mode are requested to provide their bank details to the Company/RTA. Members holding shares in demat mode are requested to record the NECS mandate with their Depository Participant(s) concerned.
- 6) Members are requested to notify immediately any change of address :
 - i. To their depository participants (DPs) in respect of their electronic share accounts, and
 - ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend along with self attested photocopy of PAN Card, Bank detail duly attested by the Bank and Photocopy of Cheque leaf.

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- 7) Pursuant to Section 205A and 205C of the Companies Act, 1956 (as amended) any money transferred to the unpaid dividend account of a Company remaining unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred to Investor Education and Protection Fund and thereafter no claim shall lie against the fund or the Company. So, members are advised to claim the same from the Company immediately. Members who have not so far encashed their Dividend warrants for the Accounting years ended 31st December, 2007 to 31st December, 2013 may immediately approach the Registrars for revalidation of unclaimed Dividend Warrants.
- 8) The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” in 2011 by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent to the shareholders in Electronic Mode. To support this green initiative of the Government in full measure, the members who have not registered their e-mail addresses, so far, are requested to register their e-mail address in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members who hold shares in physical form are requested to submit their e-mail address to **contactus@dianatea.in & mdpldc@yahoo.com**. We are sure you would appreciate the “Green Initiative” taken by MCA and solicit your patronage and support to participate in such initiative.
- 9) Shareholders seeking any information with regard to accounts are requested to write to the Company at least 7 days prior to meeting, so as to enable the management to keep the information ready.
- 10) Members are requested :
- To bring their copies of the annual report, notice and attendance slip at the time of the meeting.
 - To quote their folio no./ID No. in all correspondence.
- 11) Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 12) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
- 13) To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members’ designated e-mail ID in its records.
- You are thus requested to kindly submit your e-mail ID vide the e-mail registration form attached in this Annual Report by filling up and signing at the appropriate place in the said form and return the same to the Company. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar & Share Transfer Agent of the Company.
- 14) In Compliance of provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) as amended vide Companies (Management and Administration) Amendment Rules 2015 w.e.f. 19th March, 2015 and Clause 35B of the Listing Agreement the Company is pleased to offer facility of voting by electronic means in respect to business to be transacted at 104th Annual General Meeting.
- 15) Members may also note that the Notice of the 104th Annual General Meeting and the Annual Report for 2014 will also be available on the Company’s website www.dianatea.in. The Notice of AGM shall also be available on the website of CDSL viz. www.evotingindia.com.
- 16) For persons who have acquired shares and become members of the Company after the dispatch of notice but before the Cut-off Date (as defined hereunder), the method for obtaining the login ID and password will be stated in the advertisement published pursuant to the Company (Management and Administration) Amendment Rules, 2015.
- 17) The e-voting period commences on Tuesday, 23rd June, 2015 (10.00 A.M. IST) and ends on Thursday 25th June, 2015 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on 19th June, 2015 (‘Cut-off date’) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting on Thursday 25th June, 2015 after 5.00 P.M. IST. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- 18) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date.

Notice

Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the closing working hours of Cut-off Date and not casting their vote electronically, may only cast their vote by means of Ballot/Polling Paper at the Annual General Meeting.

- 19) Mr. Mohan Ram Goenka, Practicing Company Secretary (COP No. 2551), & Partner M R & Associates, Company Secretaries, Kolkata, who has consented to act as the Scrutinizer and is available for the purpose of ascertaining the requisite majority, was appointed by the Board of Directors as the Scrutinizer to scrutinize the voting process (electronically or otherwise) for 104th AGM in a fair and transparent manner and submit a consolidated Scrutinizer's Report of the total votes cast to the Chairman or a person authorized by him in writing.
- 20) The Scrutinizer shall, immediately after the conclusion of voting at the Meeting first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding three working days from the conclusion of the Annual General Meeting make a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing.
- 21) The results of voting (including e-voting or otherwise) shall be aggregated and declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.dianatea.in and on the website of CDSL www.evotingindia.com immediately and communicated to BSE Limited.

The facility of voting through ballot paper or polling paper shall also be made available for the members at the Annual General Meeting who have not been able to vote electronically and who are attending the Meeting. The members who have cast their vote electronically

would be entitled to attend the Annual General Meeting but would not be permitted to cast their vote again at the Meeting.

Once the vote is cast, the member cannot change the same or recast the same again.

- 22) Please see the instructions below for details on e-Voting facility.
- (i) The voting period begins on Tuesday, 23rd June, 2015 (10.00 A.M. IST) and ends on Thursday 25th June, 2015 (5.00 P.M. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th June, 2015, may cast their vote electronically. The facility for voting through ballot paper/polling paper shall be made available at the AGM and the members as on the "cut-off date" 19th June, 2015, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper/polling paper.
 - ii) Log on to the e-voting website : www.evotingindia.com.
 - iii) Click on "Shareholders" tab to cast your votes.
 - iv) Now enter your User ID :
 - a. For CDSL : 16 digits Beneficiary ID
 - b. For NSDL : 8 Character DP ID followed by 8 digits Client ID
 - c. Members holding shares in Physical form should enter Folio Number registered with the Company.
 - v) Next enter the Image Verification as displayed and Click on login.
 - vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii) If you are a first time user follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>

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DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- viii) After entering these details appropriately, click on "SUBMIT" tab.
- ix) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For the members holding shares in Physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant **Diana Tea Company Limited** on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the Voting done by you by clicking on "click here to print" option on the Voting Page.
- xvii) If demat account holder has forgotten the same password then enter the User ID and the image verification code and click on forgot Password and enter the details as prompted by the system.

xviii) Note for Institutional Shareholders

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

For and on behalf of the Board

Registered Office :
3B, Lal Bazar Street
Kolkata - 700001
Date : May 11, 2015

Manoj Agarwala
Company Secretary
Membership No. 23053

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM 5

Mr. Gautam Bhalla (DIN : 00675609), was appointed as an Additional Director of the Company on 27th February, 2015, pursuant to provisions of Section 161(1) of the Companies Act, 2013 and the Article of Association of the Company.

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In terms of the provisions of Section 161(1) of the Act, Mr. Gautam Bhalla would hold office up to the date of the ensuing Annual General Meeting.

Under Section 160 of the Companies Act, 2013, a notice in writing has been received from a member signifying his intention to propose Mr. Gautam Bhalla, as a Director of the Company along with the deposit of requisite amount as required under the aforesaid Section.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of directors for retirement by rotation.

Mr. Gautam Bhalla is not disqualified from being appointed as Director in terms of Section 164 of the Act. The Company has received the consent to act as director and requisite Form from him, confirming his eligibility for such appointment.

Keeping in view his ability, integrity, expertise in depth knowledge in all major bulk tea markets in India and an excellent network in major overseas markets, the Board of Directors in its meeting held on 27th February, 2015 has approved appointment of Mr. Gautam Bhalla as an Additional Non-Executive Independent Director.

The Company has received a declaration from Mr. Gautam Bhalla that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and had given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that it meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices from a member along with requisite deposits under section 160 of the Companies Act, 2013 proposing his candidature's for the office of Independent Director. In terms of Clause 49 of the Listing Agreement, Mr. Gautam Bhalla possesses appropriate skills, experience and knowledge; inter alia, in the field of Marketing.

In the opinion of the Board, Mr. Gautam Bhalla fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Gautam Bhalla is independent of the management.

Copy of the draft letter for appointment of Mr. Gautam Bhalla as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day.

Save and except Mr. Gautam Bhalla, being an appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions, except and to the extent of their shareholdings, if any in the Company.

Your Directors recommend the resolution for your approval.

ITEM 6

Mr. Harish Parekh (DIN : 00026530), is the Independent Director of the Company and has held the position as such in the Company for several years. Section 149 of the Companies Act, 2013 ('the Act'), inter alia, stipulates the criteria for Independent Directors on the Board of Directors of a Company. As per the said section, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation. Mr. Harish Parekh is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as a Director and he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Mr. Harish Parekh (DIN : 00026530) had given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that it meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices from a member along with requisite deposits under Section 160 of the Companies Act, 2013 proposing his candidature's for the office of Independent Director.

Keeping in view his vast experience and knowledge of tea industry, it will be in the interest of the Company that Mr. Harish Parekh be appointed as an Independent Director of the Company.

Save and except Mr. Harish Parekh, being an appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions, except and to the extent of their shareholdings, if any in the Company.

Your Directors recommend the resolution for your approval.

ITEM 7

Mr. N. F. Tankariwala (DIN : 00035400), is the Independent Director of the Company and has held the position as such in the Company for several years. Section 149 of the

Notice

Companies Act, 2013 ('the Act'), inter alia, stipulates the criteria for Independent Directors on the Board of Directors of a Company. As per the said section, an Independent Director can hold office for a term upto 5 (five) consecutive years on the Board of a Company and he shall not be included in the total number of directors for retirement by rotation. Mr. N. F. Tankariwala is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given his consent to act as Director and he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Keeping in view his vast experience and knowledge of tea industry, it will be in the interest of the Company that Mr. N. F. Tankariwala be appointed as an Independent Director of the Company.

Mr. N. F. Tankariwala (DIN : 00035400) had given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that it meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices from a member along with requisite deposits under Section 160 of the Companies Act, 2013 proposing his candidature's for the office of Independent Director.

Save and except Mr. N. F. Tankariwala, being an appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions, except and to the extent of their shareholdings, if any in the Company.

Your Directors recommend the resolution for your approval.

ITEM 8

The Company being engaged in tea plantation and manufacturing activities was required to appoint Cost Auditor(s) to audit its cost accounting records in respect of plantation products in terms of Section 233B of the Companies Act, 1956.

In terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 ('the Rule'), the Board of Directors of the Company at its Meeting held on 27th February, 2015 appointed M/s. Rana Ghosh, Cost Accountants as the Cost Auditors of the Company for the Financial Year ending on 31st December, 2015 on the recommendation of the Audit Committee of the Company ('the Audit Committee'). The Board has approved the remuneration of ₹ 40,000/- plus out-of-pocket expenses of the Cost Auditors and the ratification of the shareholders is sought for the same by an Special Resolution at Item No.8.

No Director or any Key Managerial Personnel of the Company or any of the relatives is concerned or interested, financially or otherwise, in respect of the said Resolution.

ITEM 9

Mr. Sandeep Singhania (DIN : 00343837) during his term as Managing Director of the Company had done his best for all round development and growth of the Company. Therefore, on recommendation of the Nomination and Remuneration Committee, the "Board" at their meeting held on 27th February, 2015, re-appointed Mr. Sandeep Singhania as the Managing Director of the Company for a further period of five years from 27th August, 2015 to 26th August, 2020, subject to the approval of the shareholders of the Company.

Mr. Sandeep Singhania (DIN : 00343837) is a commerce graduate and has been associated with the Company for more than 23 years and has thorough experience of tea industry. His sharp intellect, key insight and logical analysis on various issues alongwith his valuable inputs always enhance the performance of the Company.

With the introduction of Schedule V of the Companies Act, 2013 ('the Act') the Company having profits in a financial year may pay remuneration to a Managerial Person(s) not exceeding the limits specified in Section 197 of the Act and in cases where there is no profits or its profits are inadequate, the Company can pay remuneration to its managerial person in accordance with Section II (A) of Part II of Schedule V to the Act. Hence, it has been thought prudent to obtain the approval of the shareholders by way of a Special Resolution for payment of remuneration to Mr. Sandeep Singhania (DIN : 00343837) Managing Director of the Company in the absence/inadequacy of profits in any financial year as per limits and the terms and conditions approved earlier as under :

The main terms and conditions of re-appointment of Mr. Sandeep Singhania as set out in the agreement placed before the meeting are as follows :-

Mr. Sandeep Singhania (hereinafter called "Mr. Singhania") be re-appointed as Managing Director of the Company for a period of five years with effect from August 27, 2015. During currency of such five years period of Directorship of Mr. Singhania will be liable to retire by rotation at the Annual General Meetings in accordance with Section 152 of the Companies Act, 2013 and there will be no break in his office as Managing Director in case he is re-appointed by the shareholders.

1. As Managing Director of the Company, Mr. Singhania shall devote whole of his time, attention and ability to the business and affairs of the Company, subject to the

Notice

superintendence, control and directions of the Board. Mr. Singhania shall be entitled to have the management of the whole or substantially the whole of the affairs of the Company.

2. In consideration of his services as Managing Director, Mr. Singhania shall be entitled to receive the following by way of remuneration:

a. Salary :

₹ 3, 00,000/- per month.

Revision of the basic salary shall be decided by the Board of Directors annually on the recommendation of the Nomination and Remuneration Committee in the salary range of ₹ 3, 00,000/- to ₹ 5, 00,000/- per month.

b. Commission :

Commission as determined by the Board of Directors within the overall ceiling on managerial remuneration laid down in Section 2(78) and Section 197 of the Companies Act, 2013 and based on the net profits of the Company in any particular year.

c. Perquisites :

In addition to the salary and commission payable, Mr. Singhania shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof, house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, leave travel concession for himself and his family, club fees, medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Singhania.

The perquisites and allowance shall be valued as per Income Tax Act, 1961 or any other rules hereunder or any statutory modification(s) or re-enactment thereof, and in absence of such rules they shall be valued at actual cost.

Provision for use of the Company's car for official duties and telephone (including payment of local calls and long distance official calls) shall not be included in the computation of perquisites.

Company's contribution to Provident Fund and Superannuation or Annuity Fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d. Minimum Remuneration :

In the event of loss, absence or inadequacy of profits in any financial year during the term of office of Mr. Singhania, the remuneration payable to him by way of salary, allowances, commissions and perquisites shall not, without the approval of the Central Government (if required), exceed limit specified in Section II (A) of Part II of Schedule V to the Companies Act, 2013 including any amendment(s), modification(s), variation(s) or re-enactment thereof.

3. **Variation :** The Board of Directors or any Committee may alter and vary the terms and conditions of the appointment and/or agreement (including the amount of salary, commission and also type & amount of perquisites and other benefits payable to Mr. Singhania) in such manner as may be agreed between the Board or Committee thereof and Mr. Singhania, provided however that the remuneration payable to Mr. Singhania shall not exceed the limits specified in the Schedule V of the Companies Act, 2013, including any amendment(s), modification(s), variation(s) or re-enactment thereof.

The above payment shall be governed by the provisions of Schedule V to the 'Act' or any amendment thereof.

The "Board" commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

The draft of the Agreement, proposed to be entered into between Company and Mr. Sandeep Singhania open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting.

The above material terms of re-appointment and remuneration payable to Mr. Singhania as set out in the accompanying Notice should be considered an abstract and the Memorandum of Interest, pursuant to the provision of Section 190 of the Companies Act, 2013.

Save and except Mr. Sandeep Singhania, being an appointee, none of the other Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions, except and to the extent of their shareholdings, if any in the Company.

For and on behalf of the Board

Registered Office :
3B, Lal Bazar Street
Kolkata - 700001
Date : May 11, 2015

Manoj Agarwala
Company Secretary
Membership No. 23053

Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE HUNDRED AND FOURTH ANNUAL GENERAL MEETING

(Pursuant of Clause 49 of Listing Agreement)

Name of Directors	Mr. Sandeep Singhania	Mr. Gautam Bhalla	Mr. Harish Parekh	Mr. N.F. Tankariwala
Date of Birth	25.03.1972	27.10.1948	23.03.1937	13.08.1938
Qualification	Commerce Graduate	Commerce Graduate in Economic Honours	Commerce Graduate	B.A.
Date of Appointment	22.10.1991	27.02.2015	14.07.2005	30.03.2010
Expertise in Specific Functional Areas	Tea Plantation & Marketing Business	Marketing	Finance and Accounts	Tea Plantation
List of Other Public Companies in which Directorship held (excluding in Foreign Companies)	a) Diana Capital Ltd. b) Singhania Builders Ltd. c) Woodville Properties & Finance Ltd.	None	a) Rossell India Ltd. b) The Grob Tea Co. Ltd. c) Williamson Magor & Co. Ltd. d) Gillanders Arbuthnot & Co. Ltd. e) The Peria Karamalai Tea and Produce Company Ltd. f) B M G Enterprises Ltd. g) Rasoi Ltd.	None
Chairman / Shareholders of the Committees of the Board of Directors of Other Companies in which he is a Director (excluding in Foreign Companies)	None	None	a) Member of Audit Committee and Chairman of Stakeholder Relationship Committee in Rossell India Ltd. b) Member of Audit Committee in Williamson Magor & Co. Ltd. c) Chairman of Audit Committee and Stakeholders Relationship Committee in Gillanders Arbuthnot & Co. Ltd. d) Member of Audit Committee in The Peria Karamalai Tea and Produce Co. Ltd. e) Member of Stakeholders Relationship Committee and Chairman of Audit Committee in Rasoi Ltd. f) Member of Audit Committee in The Grob Tea Co. Ltd.	None
Details of Shareholding, if any in the Company	2,74,850 Shares of ₹ 5/- each	Nil	Nil	Nil



Dear Shareholders,

Your Directors have pleasure in presenting their 104th Annual Report along with the Audited Accounts for the year ended December 31, 2014.

Financial Results		(₹ in lacs)	
Particulars	December 31, 2014	December 31, 2013	
Profit before Depreciation and Amortization Expense, Finance Costs & Taxation	462.58	448.21	
Less : Depreciation and Amortization Expense	95.06	87.18	
Finance Costs	103.77	185.71	
Exceptional items	–	123.17	
Profit before Tax	263.75	52.15	
Less : Provision for Tax Expenses (net)	47.21	100.05	
Profit / (Loss) after Tax	216.54	(47.90)	
Add : Balance brought forward from previous year	150.31	128.42	
Add : Transfer from General Reserve	–	87.93	
Amount available for appropriation	366.85	168.45	
Appropriations :			
Proposed Dividend	37.48	37.48	
Provision for tax on proposed dividend	3.00	2.55	
Dividend Tax for earlier year written back	–	(21.89)	
Transferred to General Reserve	100.00	–	
Balance carried forward	226.37	150.31	
	366.85	168.45	
Basic and diluted earning per share	1.44	(0.32)	

Directors' Report

REVIEW OF PERFORMANCE

The year under review was yet another year started with uncertain weather conditions wherein there was prolonged drought together with high pest infestation. However, your company's own crop was more or less at par with last year. We were selective towards procurement of bought leaf, keeping quality in mind. However, company's production from bought leaf was higher at 3,03,960 Kgs. when compared to 2,05,824 Kgs. of previous year.

During the year the Indian tea production was lower by 15.61 million kgs. out of which 32 million kgs. deficit was contributed by Assam. Since there was a deficit of tea production in North India, the auction prices of North Indian teas were higher by about ₹ 7 per kg. However, due to excessive crop in Kenya the global tea prices had gone down significantly which affected the prices of South Indian tea adversely which is an export oriented market. There was a significant gap between quality and non-quality tea throughout the year wherein quality teas continued to sell briskly where as medium and poor quality tea continue to suffer and were difficult to sell.

Your company continued to focus on making quality teas which is visible in our price realization which is higher by ₹ 14/- per kg. when compared to price realization of last year. It is worthwhile to mention that the average realization of our tea is significantly higher when compared to district average realization which shows our commitment to make good quality teas which is being rewarded by higher price realization.

During the year, pending wage negotiation had been settled wherein wages has been revised from ₹ 95/- to ₹ 112.50 from 1st April, 2014. The impact of which has significant effect in our cost and profitability. Necessary provisions relating to increased wages has already been taken in the current account. In spite of such wage hike, company's profitability has gone up to ₹ 216.54 Lacs when compared to loss of ₹ 47.90 Lacs in previous year.

Your company continued with the policy of improving its existing tea estates by way of regular development work through uprooting & replanting of old tea bushes and modernization of its factories. This has helped us in improving our quality as well as productivity. Our gardens have 100% irrigation facility to take care of drought condition which has become a regular phenomenon every year.

PROSPECTS

Ensuing year looks to be a very challenging year for the tea industry as there is an excess carry forward stock of

poor quality tea from last year which has turned market sentiments negative. Cost has gone up significantly on account of wage increment. Cost escalation on account of longer period of irrigation and pest control due to prolonged drought period could put lot of pressure on margins. However, quality teas would continue to get premium and would sell briskly at firm levels. The price gap between quality and non-quality tea would continue to widen. Global crop situation is precarious as Kenya is going through a severe drought condition and their market has shot up in the month of February. Weather condition in India is also poor as there is no rain in the last five months in Northern India. If the current weather condition continues, there could be significant crop shortage in India as well. In addition to that domestic consumption is growing steadily @ 3% CAGR. With the shortage in Kenyan tea, there is a possibility of Indian exports going up this year, thus creating further deficit of availability of tea in domestic market. All these factors combine together could result in higher prices for Indian teas. However, inferior quality tea could continue to suffer and get neglected.

Plant Protection Code (PPC) has been introduced by Tea Board and your company is committed to follow the same.

Your company is committed for regular developmental work in the field through uprooting & replanting of old bushes and modernizing its factories by replacing obsolete plant & machineries with latest technology plant & machineries with a view of making quality tea and to reduce the cost. Every effort is being made by your company to improve its performance in the coming years.

DIVIDEND

The Board has recommended a Dividend of ₹ 0.25 per Equity Share (i.e. 5%) for the year ended December 31, 2014 and such dividend, on approval, will be paid to those members recorded in the registers of the Company at the close of business on the date of Annual General Meeting, subject, however, to the provision of Section 206A of the Companies Act, 1956 / Section 126 of the Companies Act, 2013.

PERSONNEL

None of the employees of the Company received remuneration exceeding the limit specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended.

We recognise people as our most valuable asset and cordial relations with the employees were maintained at all company locations during the year. The Board would like to place on record its appreciation for the keen interest taken

Directors' Report

by employees at all levels to bring about improvements in the difficult circumstances faced by the tea industry.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy and technology absorption, foreign exchange earnings and outgo are given by way of Annexure 'A' to this Report.

DIRECTORS

The Company being a Listed Company is required to have atleast one third of total number of Directors as Independent Directors according to Section 149(4) of the Companies Act, 2013. In the Opinion of the Board, Mr. Harish Parekh, and Mr. N. F. Tankariwala, Non Executive Directors, who are also Independent Directors in terms of Listing Agreements and meet the criteria of Independence in terms of Section 149(6) of the Act, should be considered for appointment as Independent Directors of the Company under Section 149, 150 and 152 read with Schedule IV of the Act. The term of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to determination by retirement of Directors by rotation. It is proposed to appoint Mr. Harish Parekh and Mr. N. F. Tankariwala as Independent Directors of the Company for a period upto five (5) years, who shall not be liable to determination by retirement of Directors by rotation.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 Mr. Gautam Bhalla (having DIN : 00675609) was appointed as an Independent Non-Executive Additional Director in the Board of the Company by the Board of Directors in its meeting held on 27th February, 2015 w.e.f. 27 February, 2015 who shall hold the office upto the date of the ensuing 104th Annual General Meeting of the Company. In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to determination by retirement of Directors by rotation. It is proposed to appoint Mr. Gautam Bhalla as Independent Directors of the Company for a period upto five (5) years, who shall not be liable to retire by rotation.

In view of the terms of appointment of Mr. Sandeep Singhania (having DIN : 00343837) as the Managing Director on 27.08.2015 and considering his satisfactory performance the Board of Directors by its resolution passed on date 27.02.2015 re-appointed Mr. Sandeep Singhania as the Managing Director for a further period of five (5) years. The term of office of Mr. Sandeep Singhania, Managing Director and Mrs. Sarita Singhania, Whole-time Director of the Company which was not liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 shall henceforth be liable to determination by retirement of Directors by rotation.

LISTING ARRANGEMENT

The Equity Shares of the Company are listed on the BSE Limited, the Calcutta Stock Exchange Limited, Delhi Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited. Whereas Company has already applied for delisting its Equity Shares from The Calcutta Stock Exchange Limited, Delhi Stock Exchange Association Limited and Ahmedabad Stock Exchange Limited. The Annual Listing Fee for the financial year ended 31st December, 2014 had been paid to the BSE Limited. The Company has also paid the annual custodian fees to NSDL and CDSL for the Securities of the Company held in dematerialized mode with them for the year ended 31st December, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of Clause 49 of Listing Agreement, entered into with the Stock Exchange wherein the shares of the Company are listed, Management Discussion and Analysis Report is annexed herewith as Annexure 'B' to this Report.

CORPORATE GOVERNANCE REPORT

As stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchange the detailed report on Corporate Governance is annexed herewith and marked as Annexure 'C' to this report and the certificate obtained from the statutory auditors of the Company, regarding compliance of the conditions of Corporate Governance, as stipulated in the said clause, is also attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

(As per Section 217 (2AA) of the Companies Act, 1956)

As stipulated, your Directors affirm their commitment to the Directors' Responsibility Statement as below :

- (i) The Directors state that in preparation of the Annual Accounts, your Company has followed the applicable accounting standards except gratuity liability being accounted for, as and when paid/payable.

Directors' Report

- (ii) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on December 31, 2014 and the profit for the Financial year.
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities.
- (iv) The Annual Accounts of your Company has been prepared on a going concern basis.

COST AUDITORS

M/s. Rana Ghosh, Cost Accountants, having been appointed as Cost Auditor(s) under Section 233B of the Companies Act, 1956 for conducting the audit of cost records of the Company for the financial year December 31, 2015.

AUDITORS' REPORT

The remarks raised by Auditors in their report are self-explanatory and therefore do not call for any further comments.

AUDITORS

Pursuant to Provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the current Statutory Auditors of the Company, M/s. Das & Prasad, Chartered Accountants, (Firm Registration Number 303054E) retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has received a letter from them to the effect as required under Section 139 of the Companies Act, 2013 that their re-appointment for a term of 3 (Three) years subject to ratification by members at every Annual General Meeting from the conclusion of this meeting until the conclusion of the 107th Annual General Meeting, if made, would be within the prescribed limits under the Companies Act, 2013 and they are not disqualified for re-appointment.

APPRECIATION

Your Directors wish to place on record their appreciation to the financial institutions, Bankers and Shareholders for their continued assistance and co-operation as well as confidence reposed in the Company. Your Directors also thank the Executives, Staff and Workers for their sincere and dedicated services.

For and on behalf of the Board

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : February 27, 2015

Sandeep Singhania
(DIN: 00343837)
Managing Director

Annexure to the Directors' Report

Annexure - 'A'

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

		Current Year ended 31.12.2014	Previous Year ended 31.12.2013
A) POWER & FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
Unit	(KWH)	4,568,160	4,151,390
Total Amount	(₹ in Lacs)	384.57	353.25
Rate per unit	(₹/KWH)	8.42	8.51
b) Own Generation			
Through Diesel Generator Unit	(KWH)	242,922	316,773
Unit per Ltr. of Diesel Oil	(KWH)	3.01	3.11
Fuel Cost / Unit	(₹/KWH)	20.13	17.42
2) Coal for Tea Processing in Withering & Drying			
Quantity	(M.T.)	2,329.43	2,132.27
Total Amount	(₹ in Lacs)	193.33	153.45
Rate/Unit	(₹/M.T.)	8,299.46	7,196.54
3) Other for Transportation & Material Handling			
a) H.S.D.Oil :			
Quantity	(Ltrs.)	55,491	56,477
Total Cost	(₹ in Lacs)	33.57	30.52
Rate / Unit	(₹/Ltr.)	60.50	54.05
b) Petrol :			
Quantity	(Ltrs.)	10,795.48	11,300.83
Total Cost	(₹ in Lacs)	8.41	8.68
Rate / Unit	(₹/Ltr.)	77.94	76.84
B) CONSUMPTION PER UNIT OF PRODUCTION			
Product - Tea (Gross)	(Kgs.)	3,182,042	3,090,786
Energy Use : Electricity (including own Generation) for Manufacturing	(KWH/Kg.)	0.79	0.80
Other Fuel for Processing of Tea			
Coal	(Kg./Kg.)	0.73	0.69

Annexure to the Directors' Report

FORM 'B'

Form for disclosure of particulars with respect to Absorption, Research and Development

Research and Development (R & D)

- 1) Specific area in which R & D carried out by the Company
- 2) Benefits derived as a result of the above R & D
- 3) Future Plan of Action
- 4) Expenditure on R & D
 - a) Capital
 - b) Recurring
 - c) Total
 - d) Total R & D Expenditure as a percentage of Total Turnover



The Company subscribes to Tea Research Association which is registered under Section 35(1)(ii) of the Income Tax Act, 1961

Technology Absorption, Adaptation and Innovation

- 1) Efforts, in brief, made towards technology absorption and innovation.
- 2) Benefits derived as a result of the above efforts e.g. Product Improvement, Import substitution etc.
- 3) In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following information may be furnished
 - a) Technology Imported
 - b) Year of Import
 - c) Has technology been fully absorbed?
 - d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action



Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- 1) Activities relating to exports, initiatives taken to increase exports.
- 2) Development of new export markets for products and services and export plan.
- 3) Total Foreign Exchange Earned and Used :
 - Earned ₹ NIL
 - Used ₹ 63.52 Lacs (Travelling & Others)



Not applicable

For and on behalf of the Board

Registered Office :
 3B, Lal Bazar Street
 Kolkata - 700 001
 Date : February 27, 2015

Sandeep Singhania
 (DIN: 00343837)
 Managing Director



Management DISCUSSION AND ANALYSIS

Annexure to the Directors' Report

Annexure - 'B'

TEA INDUSTRY

The industry is largely dominated by India (second largest producer and largest consumer) followed by China, Sri Lanka, Kenya and Indonesia. India accounts for 30% of world's production; the combined production of Sri Lanka, Kenya and Indonesia was lower than India's.

India : India is the second largest tea producer after China. The country offers a variety of products – original Orthodox, Ctc, Green Tea, Darjeeling Tea, Assam Tea and Nilgiri Tea. The total turnover of the tea industry is estimated at around ₹ 15,000 crores; tea production since independence has grown over 250%, while land area has grown only 40%. The Dooars in North Bengal account for 14% of the country's tea

production. The Dooars tea is a strong tea and often used for blending with Assam tea to enhance the latter's mildness.

Production : Indian tea Production for the year 2014 is lower at 1184 million kgs. against 1200 million kgs. of 2013. Our own crop was almost at par during the year. The average realization during the current year is higher at ₹ 145.04 per kg. compared to ₹ 130.85 per kg. of previous year.

Realizations : Due to lower production in Northern India to the tune of 15 million kgs. the price realization was higher by about ₹ 7/- when compared to last year.

The average price realization of North Indian tea was higher when compared to the previous year. The prices at the three auction centres are given below to analyze the trend.

Auction Centres	(₹/ Kg.)	
	2014	2013
Kolkata	152.14	144.61
Siliguri	124.22	119.74
Guwahati	138.99	130.42

The price realized by the Company's tea compared to consolidated Auction Average is as under :

Tea Areas	Company's Tea	Consolidated Average of Siliguri Auction Centre
Dooars	145.04	124.22

Management Discussion and Analysis

Consumption : India's tea consumption is likely to grow @3% per annum.

Outlook : Indian tea market expected to be firm for the good quality teas as there is a shortage in this segment. However, medium and ordinary teas are likely to struggle and could sell at lower realization.

RISKS AND CONCERNS

Tea industry is an agricultural industry and its performance is dependent on vagaries of nature.

FINANCIAL REVIEW AND ANALYSIS

The Company's financial position is strong enough which has helped company to pass through in turbulent times. The development work in garden is always given top priority for improvement in quantity as well as quality. The surplus fund in the Company is deployed in such a way that reasonable returns are derived.

INTERNAL CONTROL

The Company has laid down policies, guidelines and procedures, which form part of its internal control system. The Company's internal control system are periodically tested and supplemented by an extensive programme of internal audit by independent firm of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Significant findings are brought to the notice of

the Audit Committee of the Board and corrective measures are recommended for implementation.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Industrial relations in all tea estates and units continued to be cordial. Focus on better deployment of labour in garden area has resulted in improving productivity both quantitative and qualitative.

CAUTIONARY STATEMENT

The statements in the report of the Board of Directors and the Management's Discussion and Analysis Report describing the Company's projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable securities Laws and Regulations. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond the control of the Company.

For and on behalf of the Board

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : February 27, 2015

Sandeep Singhania
(DIN: 00343837)
Managing Director



Report on Corporate GOVERNANCE

Annexure to the Directors' Report

Annexure 'C'

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's core business is cultivation and manufacturing of tea. The Company continues to lay importance on continuous upliftment of human and economic assets like plantations. The Company's overall philosophy is to gain excellence in all spheres of operation.

1. BOARD OF DIRECTORS

Composition :

As per the provisions under Section 149 of the Companies Act, 2013 and Clause 49(II) (A) (1) of Listing Agreement our

Board have an optimum combination of Executive and Non-Executive Directors with atleast one Woman Director and not less than 50% of the Board of directors consists of Non-Executive Directors.

Membership on other Board of Directors / Committee of Directors and Attendance record for the Company :

During the Financial Year 2014, four Board meetings were held on March 01, 2014, May 15, 2014, August 14, 2014, and November 14, 2014.

Directors	Category	No. of Board Meetings Attended	Attendance at the last AGM	No. of outside Directorship held **	No. of outside-Committee Membership held *	No. of outside Committee Chairmanship held *
Mr. Sandeep Singhania (Managing Director)	Executive Non-Independent	4	Yes	3	-	-
Mrs. Sarita Singhania (Wholetime Director)	Executive Non-Independent	4	Yes	2	-	-
Mr. Naresh Pachisia***	Non-Executive Independent Director	2	No	N.A.	N.A.	N.A.
Mr. Harish Parekh	Non-Executive Independent Director	4	Yes	8	5	4
Mr. N. F. Tankariwala	Non-Executive Independent Director	4	No	-	-	-
Mr. Gautam Bhalla ****	Non-Executive Independent Director	N.A.	N.A.	-	-	-

*Represents Chairmanship/membership of Audit Committee and Stakeholders Relationship Committee (formely known as Shareholders'/Investors' Grievance Committee)

Report on Corporate Governance

** Excludes Directorships in Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees in any company [as per Clause 49(II) (D) (2)] across all the Companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committees positions held by them in other Companies.

***Ceased to be Director of the Company w.e.f. 28.06.2014.

****Mr. Gautam Bhalla has been appointed as an Additional Non-Executive Independent Director w.e.f. 27th February, 2015.

2. CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct for all Board members and all employees in the management grade of the Company. All Board members and senior management personnel have confirmed compliance with the Code.

A declaration signed by the Managing Director is attached and forms part of the Annual Report of the Company.

3. AUDIT COMMITTEE

The Company has an Independent Audit Committee within the scope as set out in Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013.

The Audit Committee was reconstituted on 27th February, 2015 and comprises of Mr. Harish Parekh, Chairman of the Committee, Mr. N. F. Tankariwala, Independent Director, Mr. Gautam Bhalla, Independent Director (appointed w.e.f. 27.02.2015) and Mr. Sandeep Singhanian, Managing Director of the Company. The Chairman of the Audit Committee attended the last Annual General Meeting which was held on June 28, 2014.

Mr. Manoj Agarwala, Company Secretary, is the Secretary of the Committee.

The functions of the Committee include :

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- Reviewing the quarterly, half-yearly and annual financial statements before submission to the Board
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems

- Reviewing the adequacy of internal audit function
- Discussing with internal and external auditors any significant finding and follow-up on such issues
- Reviewing key accounting matters and developments
- Reviewing the utilization of funds raised by the Company
- Reviewing the statutory compliance system
- Reviewing the related parties' transactions
- Reviewing other matters as directed by the Board

Four Meetings of Audit Committee were held on March 01, 2014, May 15, 2014, August 14, 2014 and November 14, 2014.

Attendance Record of the Audit Committee Meeting :

Sl. No.	Name of Directors	No. of Meetings Attended
1)	Mr. Harish Parekh	4
2)	Mr. Naresh Pachisia*	2
3)	Mr. N. F. Tankariwala	4
4)	Mr. Sandeep Singhanian	4

* Ceased to be Director of the Company w.e.f. 28.06.2014.

4. WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Board and Audit committee in their meeting held on November 14, 2014 has duly established, reviewed & approved a mechanism for employees & directors to report concerns about unethical behaviour, actual or suspected fraud, or violation of our code of conduct or ethics policy. It also provides for adequate safeguards against victimisation of employees & directors who avail of the mechanism, and also allows direct access to the Chairperson of the audit committee in exceptional cases.

5. NOMINATION AND REMUNERATION COMMITTEE (Formerly Known as Remuneration Committee)

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Listing Agreement and amendments there upon the existing Remuneration Committee of the company be renamed as Nomination & Remuneration Committee and accordingly has revised the terms of reference of the said committee in the board meeting held on August 14, 2014. The said Nomination & Remuneration Committee was reconstituted on February 27, 2015 and comprises of three Non-Executive Independent Directors as mentioned below.

Report on Corporate Governance

The composition of the Committee is as under :

Mr. Harish Parekh – Chairman

Mr. N. F. Tankariwala – Member

Mr. Gautam Bhalla – Member (appointed w.e.f. 27.02.2015)

The functions of the Committee include :

To evaluate, review and recommend to the Board, the remuneration of the Executive Directors so as to bring about the objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

One meeting of the Nomination & Remuneration Committee was held on March 01, 2014.

Attendance record of the Nomination & Remuneration Committee meeting :

Sl. No.	Name of Directors	No. of Meeting Attended
1)	Mr. Harish Parekh	1
2)	Mr. Naresh Pachisia*	1
3)	Mr. N. F. Tankariwala	1

* Ceased to be Director of the Company w.e.f. 28.06.2014.

6. REMUNERATION POLICY

Executive Directors

The Nomination and Remuneration Committee takes into account experience, qualification and prevailing industry practices before giving its recommendation to the Board. On recommendation of the Nomination and Remuneration Committee, the Board decides remuneration to be paid to Executive Directors, subject to approval of shareholders in terms of provisions of the Companies Act, 2013, read with Schedule V thereof. The Committee aims towards rewarding, on the basis of performance and reviews on a periodical basis.

Non-Executive Directors

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board of Directors and committees and also reimbursement of expenses incurred in this regard. In order to reward the Non-Executive Independent Directors for their contribution, they are paid remuneration by way of sitting fees for attending the meetings of Board and Committees.

The details of salary and perks paid to the Managing Director and Whole time Director and sitting fees paid to the Directors of the Company during the year are given below :

Name of Directors	Sitting Fees (₹)		Salary & Perks (₹)
	Board Meeting	Committee Meeting	
Mr. Sandeep Singhania			33,80,225
Mrs. Sarita Singhania			20,36,225
Mr. Harish Parekh	28,000	10,000	
Mr. Naresh Pachisia*	14,000	11,500	
Mr. N. F. Tankariwala	28,000	15,500	
Total	70,000	37,000	54,16,450

* Ceased to be Director of the Company w.e.f. 28.06.2014.

7. STAKEHOLDERS RELATIONSHIP COMMITTEE (Formerly Known as Shareholders' / Investors' Grievance Committee)

The Company has revised the terms of reference of existing Shareholders'/Investors' Grievance Committee and renamed it as Stakeholder Relationship Committee in its Board meeting held on 14.08.2014 pursuant to provisions of Section 178(5) of the Companies Act, 2013. The committee was reconstituted on February 27, 2015 and shall be guided

under Chairmanship of Mr. N. F. Tankariwala, an Independent Director, and other members of the Committee includes Mr. Gautam Bhalla, an Independent Director (appointed w.e.f. 27.02.2015), Mr. Sandeep Singhania, Managing Director and Mrs. Sarita Singhania, Whole time Director. The meetings of the committee are held to consider and resolve the grievances of Security Holders of the company. The Committee met as and when required during the year.

Report on Corporate Governance

The Committee generally meets once in a month. Total eighteen meetings were held during the year.

a)	No. of complaints not resolved/no action taken/pending as on January 01, 2014	NIL
b)	Complaints received from Investors	NIL
c)	Complaints replied/resolved	NIL
d)	Complaints pending as on December 31, 2014	NIL

There were also no investors' complaints pending against the company as on December 31, 2014 on SCORES, the web based complaint redressal system of SEBI.

The Secretary of the Company acts as the Compliance Officer of the Committee.

Terms of Reference of the Committee, inter alia, includes the following :

1. Oversee and review all matters connected with the transfer of the Company's securities;
2. Approve issue of Company's duplicate shares;
3. Monitor redressal of investors' / shareholders' grievances;
4. Oversee the performance of the Company's Registrar and Share Transfer Agents;
5. Recommend methods to upgrade the standard of services to investors;
6. Carry out any other function as is referred by the Board from time to time or enforced by statutory notification / amendment or modification as may be applicable.

Name, designation and address of Compliance Officer :

Mr. Manoj Agarwala, Company Secretary.

Diana Tea Company Limited
 Sir RNM House
 3B, Lal Bazar Street, 4th Floor
 Kolkata - 700001
 Phone : (033) 4066 1590-93
 Fax : (033) 2248 7571
 E-mail : contactus@dianatea.in

8. GENERAL BODY MEETINGS

a) Details regarding venue, date and time of last three Annual General Meetings of the Company are as follows :

Financial Year	Date	Time	Location
2013	28.06.2014	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071
2012	22.06.2013	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071
2011	23.06.2012	10:30 a.m.	Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata - 700071

Report on Corporate Governance

b) Details regarding Special Resolution passed in last three Annual General Meetings :

The following Special Resolution was passed by the Members during the last three Annual General Meetings :

Financial Year	Special Resolution
2013	1. Appointment of Mrs. Sarita Singhania as Whole-Time Director of the company, designated as Director (Sales and Marketing).
	2. Fixation of Borrowing Limits of the Company.
	3. Creation of charge On Company's Properties.
2012	No Special Resolution was passed at the Annual General Meeting held on June 22, 2013
2011	Approval for re-appointment and payment of remuneration to Mr. Sandeep Singhania as Managing Director for a period of three years w.e.f. August 27, 2012.

c) Details regarding Resolutions passed through postal ballot :

During the financial year 2013, no Special Resolutions were passed through Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing Special Resolutions through Postal Ballot.

d) Extraordinary General Meeting :

No Extraordinary General Meeting of the members was held during the financial year 2014.

9. DISCLOSURES

1. A statement in summary form of transactions with related party in ordinary course of business is placed annually before the Audit Committee. The pricing of all the transactions with related party transactions were on arm length basis. There are no materially significant transactions made by the Company with its related party which are at potential conflict with the interest of the company at large.
2. No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the company during the last three years.
3. Business risk evaluation and management is an ongoing process within the Company. The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.
4. The company has complied with the mandatory requirements as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges.

10. CEO/CFO CERTIFICATION

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificates pursuant to the provision of Clause 49 of the Listing Agreement and the same is annexed and forms part of the Annual Report.

11. RECONCILIATION OF SHARE CAPITAL AUDIT

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

Report on Corporate Governance

12. MEANS OF COMMUNICATION

- i. Quarterly results and half-yearly results are published in newspapers such as The Financial Express, Dainik Statesman/Arthik Lipi (Bengali).
- ii. Company's e-mail address: contactus@dianatea.in
- iii. Management Discussion and Analysis Report forms part of the Director's Report.

13. SHAREHOLDERS' INFORMATION

(a) AGM date, time and venue :

Friday, the June 26, 2015 at 10-30 A.M.
Gyan Manch Education Society Hall,
11, Pretoria Street, Kolkata - 700 071.

(b) Financial Calendar and publication of results :

The Financial Year of the Company is from January to December.
Publication of Results will be as follows :

Period	Approval by the Board of Director (tentative)
1st Quarter ending March 31, 2015	Within 15th May, 2015
2nd Quarter ending June 30, 2015	Within 14th August, 2015
3rd Quarter ending September 30, 2015	Within 14th November, 2015
Final Audited Results of December 31, 2015 including 4th Quarter	Within 29th February, 2016
AGM for the year ending December 31, 2015	June, 2016

(c) Book closure :

Friday, June 19, 2015 to Friday, June 26, 2015 (Both days inclusive)
Dividend Payment Date : On or after July 03, 2015.

(d) Listing on Stock Exchanges :

The Company's securities are listed at :

Sl. No.	Name of the Stock Exchange	Stock Code
1	BSE Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001	530959
2	The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001	14038
3	Delhi Stock Exchange Association Ltd. DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002	8273
4	Ahmedabad Stock Exchange Ltd. Kamdhenu Complex, Panjara Pole, Ambawadi, Ahmedabad - 380 015	14121

The Company has applied for delisting of shares from i) The Calcutta Stock Exchange Ltd., ii) Delhi Stock Exchange Association Ltd. and iii) Ahmedabad Stock Exchange Ltd.

Custodial fees to Depositories: The annual custodial fee for the financial year 2014 has been paid to NSDL and CDSL.
The Annual Listing Fees for the financial year 2014 has been paid to BSE Ltd.

Report on Corporate Governance

(e) Stock Price Data :

(Amount in ₹)

Month	BSE Ltd.	
	High	Low
January 2014	13.00	11.25
February 2014	12.95	11.25
March 2014	13.30	11.25
April 2014	12.85	11.30
May 2014	14.70	11.11
June 2014	20.45	11.80
July 2014	22.50	17.20
August 2014	23.50	17.50
September 2014	26.00	15.05
October 2014	25.40	16.60
November 2014	23.85	17.20
December 2014	21.40	16.50

(f) Share Transfer System :

The Company's shares are in compulsory Demat mode. Share transfers are registered within specified time limit as per Clause 47(c) of the Listing Agreement with the Stock Exchange. Certificate on Half Yearly basis have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company within the prescribed time limit.

(g) Dematerialisation of shares :

The shares of the Company are compulsorily traded in dematerialised form under depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

(h) a) Distribution of share holding as on December 31, 2014 :

Group of shares	No. of shareholders	% age	No. of Shares held	% age to total shares
1 to 500	5,417	81.42	6,77,585	4.52
501 to 1000	585	8.80	4,82,421	3.22
1001 to 2000	323	4.86	5,05,738	3.37
2001 to 3000	96	1.44	2,46,209	1.64
3001 to 4000	62	0.93	2,25,556	1.51
4001 to 5000	40	0.60	1,90,798	1.27
5001 to 10000	70	1.05	5,03,469	3.36
10001 & higher	60	0.90	1,21,59,224	81.11
Total	6,653	100.00	1,49,91,000	100.00

Report on Corporate Governance

b) Share holding pattern as on December 31, 2014 :

Category	No. of shareholders	No. of shares held	% of shareholding
Promoters	12	91,94,854	61.34
Private Body Corporates	144	20,11,595	13.42
Individuals	6,428	37,26,256	24.86
Qualified Foreign Investors/NRI	58	54,637	0.36
Clearing Member	11	3,658	0.02
Total	6,653	1,49,91,000	100.00

c) Dematerialisation of shares and liquidity as on December 31, 2014 :

Nature of holding	Holders	Shares	Percentage
Physical	783	2,06,524	1.38
Demat	5,870	1,47,84,476	98.62
Total	6,653	1,49,91,000	100.00

International Securities Identification Number (ISIN): INE012E01035

(i) Secretarial Audit :

In Compliance with Regulation 55A of SEBI (Depositories and participants regulations) 1996, a qualified Practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital.

(j) Outstanding GDR/Warrants and Convertible Bonds, Conversion dates and likely impact in Equity :

Not applicable

(k) Plant Location :

The Company owns three tea gardens each having its own processing factory at Doars (North Bengal) in Jalpaiguri District :

a) Diana Tea Estate
P.O. Banarhat - 735202

b) Baintgoorie Tea Estate
P.O. Mal - 735221

c) Goodhope Tea Estate
P.O. Dam Dim - 735209

(l) Address for correspondence :

(Registered Office)

Diana Tea Company Limited
Sir RNM House
3B, Lal Bazar Street, 4th Floor
Kolkata - 700 001
Phone : (033) 4066 1590-93
Fax : (033) 2248 7571
E-mail : contactus@dianatea.in
CIN : L15495WB1911PLC002275

(Registrar & Share Transfer Agents)

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor,
Kolkata - 700 001
Phone : (033) 2243-5029/5809, 2248-2248
Fax : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Registered Office :
3B, Lal Bazar Street
Kolkata - 700 001
Date : February 27, 2015

For and on behalf of the Board

Sandeep Singhania
(DIN: 00343837)
Managing Director

Report on Corporate Governance

CEO/CFO Certification

To
The Board of Directors
Diana Tea Company Limited
3/B, Lal Bazar Street
Kolkata - 700 001

We, Sandeep Singhanian, Managing Director and Ramesh Kumar Jhunjhunwala, Chief Financial Officer of Diana Tea Company Limited to the best of our knowledge and belief, certify that :

1. We have reviewed financial statement and cash flow statement for the year.
2. Based on our knowledge and information, these statements do not contain materially untrue statement or omit any material fact or contain statements that might be misleading.
3. Based on our knowledge and information, the financial statements and other financial information included in the report, present in all material respects, a true and fair view of the company's affairs and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
 - a) significant changes in internal controls during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal controls system.

For Diana Tea Company Limited

Place : Kolkata
Date : February 27, 2015

Sandeep Singhanian
(DIN : 00343837)
Managing Director

Ramesh Kumar Jhunjhunwala
Chief Financial Officer

Report on Corporate Governance

Declaration Regarding Code of Conduct

TO WHOM IT MAY CONCERN

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors.

I confirm that the Company has in respect of the financial year ended December 31, 2014 received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer and the Company Secretary, employees in the Executive cadre as on December 31, 2014.

For **Diana Tea Company Limited**

Place : Kolkata
Date : February 27, 2015

Sandeep Singhania
(DIN :00343837)
Managing Director

Report on Corporate Governance

Auditors' Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The Members of
Diana Tea Company Limited
3/B, Lal Bazar Street
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Diana Tea Company Limited for the year ended December 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

4, Chowringhee Lane,
Kolkata - 700 016
Date : February 27, 2015

For **DAS & PRASAD**
Chartered Accountants
Firm Regn. No.303054E

A. K. Agarwal
Partner
Membership No. 062368

Independent Auditors' Report

To
The Members of
Diana Tea Company Limited

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **Diana Tea Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st December, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the State of affairs of the Company as at 31st December, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

EMPHASIS OF MATTER

7. We draw attention to (i) Note No. 15 for non-provision of Sundry Debtors considered doubtful of recovery, (ii) Note No. 17 (a) & (b) for non-provision of loans and advances receivable which is doubtful of recovery, (iii) Note No. 18 for

Independent Auditors' Report

non-provision of Interest and Replantation Subsidy Receivable which is doubtful of recovery, (iv) Note No. 27-(7)(b) for non-provision of Gratuity Liability, (v) Note No. 27-(8) for non-provision of diminution in value of long term investments in respect of quoted investments and, (vi) non-provision of Entry Tax.

Our opinion is not qualified in respect of above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by Section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 except for Accounting Standard 15 (Revised 2005), in respect of non-provision of part of gratuity liability as mentioned in point no. 7(b) of Note 27.
 - (e) On the basis of the written representations received from the directors as on 31st December, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 303054E

A. K. Agarwal
Partner
Membership No. 062368

Place : Kolkata

Date : February 27, 2015

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets :
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (ii) In respect of its inventory :
- (a) The management has conducted physical verification of inventory at reasonable intervals during the year except stock of tea lying with third party.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii (d) of the order are not applicable to the Company and hence, not commented upon.
- (e) The Company has taken unsecured loan from holding company. The amount of loan taken by the Company during the year was ₹ 39.22 Lacs, at the year end the outstanding balance of such loan taken was ₹ 31.87 Lacs and maximum amount involved during the year was ₹ 49.85 Lacs.
 - (f) In our opinion, and according to the information and explanations given to us, the rate of interest, and other terms and conditions for such loan are prima facie not prejudicial to the interest of the Company.
 - (g) In respect of loans taken, the principal amount is repayable on demand in accordance with the terms and conditions, and payment of interest has been regular in accordance with such terms and conditions.
- (iv) In our opinion and according to the information and explanations given to us there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weakness in the internal controls has been noticed.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us :
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rupees five lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

Annexure to the Independent Auditors' Report

- (vi) The Company has not accepted any deposit from the public covered under Section 58A and 58AA of the Companies Act, 1956. Therefore, the provisions of the clause 4 (vi) of the Order are not applicable to the Company.
- (vii) As per information and explanations given by the management, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (ix) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax and Value Added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st December, 2014 for a period of more than six months from the date they became payable.
- (c) According to information and explanation given to us, the disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty that have not been deposited on account of matters pending before appropriate authorities are as follows :

Name of the Statute	Nature of dues	Amount (in ₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	0.81	FY 2000-2001	Commercial Tax Officer, Lalbazar Charge, Kolkata
West Bengal Value Added Tax Act, 2003	Sales Tax	1.83	FY 2010-2011	Senior Joint Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata
Central Sales Tax Act, 1956	CST	25.29	FY 2003-2004	Asst. Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata
Central Sales Tax Act, 1956	CST	14.97	FY 2010-2011	Senior Joint Commissioner of Commercial Taxes, Chowringhee Circle, Kolkata
Income Tax Act, 1961	Income Tax	0.59	AY 2007-2008	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	9.16	AY 2012-2013	Commissioner of Income Tax (Appeals) (IV), Kolkata

- (x) The Company does not have any accumulated losses at the end of the accounting year and has not incurred cash losses in the current year and the immediately preceding accounting year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders.
- (xii) According to Information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Annexure to the Independent Auditors' Report

- (xiii) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) (a) In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
- (b) According to the information and explanations given to us, long-term investments have been held by the Company in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- (xvi) Based on our audit procedures and on the information given by the management, we report that the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xvii) Based on the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company as at 31st December, 2014, we report that funds raised on short-term basis have, prima facie, not been used during the year for long- term investment.
- (xviii) Based on the audit procedures performed and the information and explanations given to us by the management, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the period.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No. 303054E

A. K. Agarwal
Partner
Membership No. 062368

Place : Kolkata
Date : February 27, 2015

Balance Sheet as at 31st December, 2014

(₹ in Lacs)

	Note	As at 31st December, 2014		As at 31st December, 2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share capital	1	749.55		749.55	
Reserves and surplus	2	7,235.57	7985.12	7,091.05	7,840.60
Non-current liabilities					
Long-term borrowings	3	327.34		414.66	
Deferred tax liabilities (net)	4	139.64	466.98	95.04	509.70
Current liabilities					
Short-term borrowings	5	437.98		189.29	
Trade payables	6	240.62		218.77	
Other current liabilities	7	725.22		451.41	
Short-term provisions	8	183.98	1,587.80	181.06	1,040.53
TOTAL			10,039.90		9,390.83
ASSETS					
Non-current assets					
Fixed assets	9				
- Tangible assets		5,825.55		5,653.01	
- Capital work-in-progress - tangible assets		0.18		12.17	
Non-current investments	10	363.03		363.20	
Long-term loans and advances	11	331.87		322.92	
Other non-current assets	12	3.27	6,523.90	2.54	6,353.84
Current assets					
Current investments	13	-		5.50	
Inventories	14	1,284.87		1,011.06	
Trade receivables	15	369.52		384.57	
Cash and cash equivalents	16	56.64		63.62	
Short-term loans and advances	17	1,704.72		1,469.73	
Other current assets	18	100.25	3,516.00	102.51	3,036.99
TOTAL			10,039.90		9,390.83

Significant Accounting Policies

26

The Accompanying Notes 1 to 27 are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

A. K. Agarwal

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : February 27, 2015

Manoj Agarwala
Company Secretary**Sandeep Singhania**
Managing Director**Ramesh Kumar Jhunjhunwala**
Chief Financial Officer**Sarita Singhania**
Director (Sales & Marketing)

Statement of Profit and Loss for the year ended 31st December, 2014

(₹ in Lacs)

	Note	For the year ended 31st December, 2014		For the year ended 31st December, 2013	
INCOME					
Revenue from operations	19		4,379.83		4,024.59
Other income	20		192.84		156.37
Total Revenue			4,572.67		4,180.96
EXPENSES					
Cost of material consumed	21	238.36		160.22	
Changes in inventories of finished goods and stock-in-trade	22	(222.93)		(58.93)	
Employee benefit expenses	23	2,344.74		2,093.88	
Finance costs	24	103.77		185.71	
Depreciation and amortization expense	9	95.06		87.18	
Other expenses	25	1,749.92	4,308.92	1,537.58	4,005.64
Total Expenses			4,308.92		4,005.64
Profit before exceptional items and tax			263.75		175.32
Exceptional items			–		123.17
Profit Before Tax			263.75		52.15
Tax expense :					
Current Tax			15.40		28.75
Less : MAT Credit Entitlement			15.11		6.70
Net Current Tax			0.29		22.05
Income Tax for Earlier Years			2.32		–
Deferred Tax			44.60		78.00
Total Tax Expense			47.21		100.05
Profit/(Loss) for the year			216.54		(47.90)
Earning per equity share in ₹					
Basic & Diluted Earning Per Share	27 (13)		1.44		(0.32)

Significant Accounting Policies

26

The Accompanying Notes 1 to 27 are an integral part of the financial statements

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

A. K. Agarwal

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4, Chowringhee Lane, Kolkata - 700 016

Date : February 27, 2015

Manoj Agarwala
Company Secretary**Ramesh Kumar Jhunjhunwala**
Chief Financial Officer**Sandeep Singhania**
Managing Director**Sarita Singhania**
Director (Sales & Marketing)

Cash Flow Statement for the year ended 31st December, 2014

(₹ in Lacs)

	For the year ended 31st December, 2014		For the year ended 31st December, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax		263.75		52.15
Adjustments for :				
Depreciation & Amortization Expense	95.06		87.18	
Finance Costs	103.77		185.71	
(Profit) / Loss on Sale of Fixed Asset (Net)	3.09		(1.42)	
Loss on Discard of Tea Plantation	9.22		11.90	
Provision for diminution of Investment	0.17		–	
Dividend Income	(0.66)		(0.61)	
Interest Income	(177.44)		(125.35)	
Transferred from Capital Reserve	(0.50)	32.71	(0.50)	156.91
Operating Profit before Working Capital Changes		296.46		209.06
Adjustments for :				
(Increase)/Decrease in Inventories	(273.81)		(44.15)	
Increase/(Decrease) in Trade Paybles, Other Liabilities & Provision	289.24		(182.77)	
(Increase)/Decrease in Trade Receivable, Advances and Other Assets	(16.71)	(1.28)	1,390.10	1,163.18
Cash Generated from Operations		295.18		1,372.24
Tax Paid		30.48		14.61
Net Cash (Outflow)/Inflow from Operating Activities		264.70		1,357.63
B. CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of Fixed Assets	(302.78)		(272.55)	
Sale of Fixed Assets	3.83		1.57	
Capital Subsidy Received	–		4.00	
Interest Received	179.70		122.21	
Dividend Received	0.66		0.61	
Redemption of Debenture	5.50		23.03	
Loans Granted	(185.05)	(298.14)	(68.50)	(189.63)
Net Cash (Outflow)/Inflow from Investing Activities		(298.14)		(189.63)

Cash Flow Statement for the year ended 31st December, 2014

(₹ in Lacs)

	For the year ended 31st December, 2014		For the year ended 31st December, 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Long-Term Borrowings	(87.32)		(61.39)	
Proceeds from Short-Term Borrowings	248.69		(881.77)	
Dividend Paid (including tax on dividend)	(38.87)		(39.58)	
Interest and Other Finance charges paid	(96.04)	26.46	(201.50)	(1,184.24)
Net Cash Inflow/(Out flow) from Financing Activities		26.46		(1,184.24)
Net Increase/ (Decrease) in Cash & Cash Equivalents (A + B + C)		(6.98)		(16.24)
Cash & Cash Equivalents as at Opening		63.62		79.86
Cash & Cash Equivalents as at Closing		56.64		63.62

Notes :

- The above Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.
- Previous Year figures have been recast/regrouped wherever considered necessary to make them comparable with current year figures.

In terms of our report of even date

For and on behalf of the Board

For **DAS & PRASAD**

Chartered Accountants

Firm Registration No.303054E

A. K. Agarwal

Partner

Membership No. 062368

4, Chowringhee Lane, Kolkata - 700 016

Date : February 27, 2015

Manoj Agarwala
Company Secretary**Sandeep Singhania**
Managing Director**Ramesh Kumar Jhunjhunwala**
Chief Financial Officer**Sarita Singhania**
Director (Sales & Marketing)

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 1 : SHARE CAPITAL	As at	
	31st December, 2014	31st December, 2013
Authorised		
2,40,00,000 (2,40,00,000) equity shares of ₹ 5/- each	1,200.00	1,200.00
Issued, Subscribed & Fully Paid up		
1,49,91,000 (1,49,91,000) equity shares of ₹ 5/- each	749.55	749.55

Note :

Out of the above Shares :

- 89,94,600 Equity Shares of ₹ 5/- each have been allotted as fully paid-up Bonus Shares by way of Capitalisation of Share Premium Account.
- 9,24,300 Shares of ₹ 5/- each were allotted as fully paid-up Bonus Shares by way of Capitalisation of General Reserve.
- 74,520 Shares of ₹ 5/- each, fully paid were issued as pursuant to contract without payment being received in cash.
- 81,79,340 Shares of ₹ 5/- each, fully paid-up are held by Holding Company Diana Capital Limited.
- There is no movement in share capital as compared to previous year.
- Terms/rights attached to equity shares :
 - The company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend if any proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
 - The amount of per share dividend recognized as distributions to equity shareholders is ₹ 0.25/- per share (31 December 2013 : ₹ 0.25/- per share).
 - In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Details of Shareholders holding more than 5% equity shares in the Company.

Name of the Shareholder	As at		As at	
	31st December, 2014		31st December, 2013	
	Numbers	% holding	Numbers	% holding
Diana Capital Ltd.	8,179,340	54.56	8,179,340	54.56
Hemanya Vanijya Private Ltd.	930,497	6.21	-	-

Notes to the financial statements for the year ended 31st December, 2014

NOTE 2 : RESERVES AND SURPLUS		(₹ in Lacs)	
	As at 31st December, 2014	As at 31st December, 2013	
A. Share Premium Account			
As per last Account	323.61	323.61	
Closing Balance	323.61	323.61	
B. Capital Reserve (Revaluation)			
As per last Account	2,665.09	2,706.05	
Less : Assets discarded during the year	31.04	40.46	
Less : Transferred to Statement of Profit and Loss	0.50	0.50	
Closing Balance	2,633.55	2,665.09	
C. Capital Reserve (Share Forfeiture)			
As per last Account	0.10	0.10	
Closing Balance	0.10	0.10	
D. General Reserve			
As per last Account	3,951.94	4,039.87	
Add/(Less) : Transferred from/(to) Statement of Profit and Loss	100.00	(87.93)	
Closing Balance	4,051.94	3,951.94	
E. Surplus in the statement of Profit and Loss			
As per last Account	150.31	128.42	
Add : Profit/(Loss) during the year	216.54	(47.90)	
Add : Transfer from General Reserve	–	87.93	
Less : Proposed Dividend			
- Dividend [₹ 0.25 (2013 ₹ 0.25) per share]	37.48	37.48	
Tax on proposed dividend	3.00	2.55	
Amount transferred to General Reserve	100.00	–	
Add : Dividend Tax for Earlier Years Written back [Refer Note No. 27 (4)]	–	21.89	
As at the end of the year	226.37	150.31	
TOTAL (A+B+C+D+E)	7,235.57	7,091.05	

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 3 : LONG TERM BORROWINGS		Non Current Maturities		Current Maturities	
		As at 31st December, 2014	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2013
A) Secured					
Term Loan					
Rupee Loans From Banks (#)	A)	190.10	312.60	122.50	87.50
Indian rupee loan from Others (##)	B)	94.16	98.56	4.40	–
Deferred Payment Liabilities					
- Vehicle Loans (###)	C)	43.03	3.40	16.39	6.00
B) Unsecured					
Others	D)	0.05	0.10	0.05	0.05
TOTAL	(A+B+C+D)	327.34	414.66	143.34	93.55
Amount disclosed under the head " Other Current Liabilities" (Note No. 7)		–	–	(143.34)	(93.55)
		327.34	414.66	–	–

Term loan from banks includes loan from United Bank of India repayable upto 2017-18 amounting ₹ 190.10 Lacs (₹ 312.60 Lacs), bearing interest @ base rate plus 1.50% p.a. The said term loan is secured by first charge on the current assets of the Company and also secured by Pari Pasu first charge on all immovable assets of the Company both present and future excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisitions thereof and also personal guarantee of two directors of the Company.

Indian Rupee Loan from Others includes ₹ 94.16 Lacs (Previous year ₹ 98.56 Lacs) loan from Tea Board bearing interest @ 10.24% p.a. to 10.46% p.a. The said loan is secured by second charge by equitable mortgage of lease hold Tea Estate ranking subsequent to the charge of the bank.

Vehicle loan includes loan from HDFC Bank Ltd. and ICICI Bank Ltd. against vehicles repayable in equated periodic instalments as per the scheme of loan. The loan are secured by hypothecation of respective vehicles.

The Scheduled Maturity of the long term borrowings is summarised as under :

	2014		2013	
	Indian rupee loan from banks/ Vehicle Loan	Indian rupee loan from Others	Indian rupee loan from banks/ Vehicle Loan	Indian rupee loan from Others
Borrowings Repayable				
In the first year (Note - 7)	138.89	4.45	93.50	0.05
Current maturities of long-term debt	138.89	4.45	93.50	0.05
In the second year	127.75	11.26	125.39	3.39
In the third to fifth year	105.38	35.86	190.61	34.00
After five years	–	47.09	–	61.27
Long-term borrowings	233.13	94.21	316.00	98.66

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 4 : DEFERRED TAX LIABILITIES (Net)		As at 31st December, 2014	As at 31st December, 2013
Deferred Tax Liabilities			
Timing Difference in depreciable Assets		171.78	161.26
	(A)	171.78	161.26
Deferred Tax Assets			
Business Loss Carried Forward		4.71	–
Timing Difference u/s 43B		27.43	66.22
	(B)	32.14	66.22
Net Deferred Tax Liabilities	(A-B)	139.64	95.04

NOTE 5 : SHORT TERM BORROWINGS			
Secured Loan			
Loan from Banks			
Cash credit Facilities (#)		206.11	141.74
Unsecured Loan			
Loan from Banks (##)		200.00	–
Loan from others (###)		31.87	47.55
TOTAL		437.98	189.29

Cash Credit facilities are Secured by first charge on current assets of the Company mainly, stock of raw materials, semi-finished and finished goods, stores and spares, book debts, receivables and also secured by pari passu first charge on all immovable assets of the Company both present and future, excluding specific items of assets charged/to be charged in favour of lenders or suppliers providing finance for the acquisition thereof and also personal guarantee of two directors of the Company.

Unsecured Loan from Banks include Loan from HDFC Bank LTD.

Includes loan from Holding Company Diana Capital Limited which is payable on demand.

NOTE 6 : TRADE PAYABLES			
Micro & Small Enterprises		–	–
Creditors for goods, services etc.		240.62	218.77
TOTAL		240.62	218.77

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 7 : OTHER CURRENT LIABILITIES		
	As at 31st December, 2014	As at 31st December, 2013
Current Maturities of Long-term debt (Note - 3)	143.34	93.55
Interest accrued & due on borrowings	2.57	1.24
Interest accrued & not due on borrowings	13.63	7.23
Unclaimed Dividends	7.08	5.92
Advance received from customers	245.60	161.10
Statutory liabilities	33.70	28.23
Employee related liabilities	274.02	148.99
Other payables	5.28	5.15
TOTAL	725.22	451.41

NOTE 8 : SHORT - TERM PROVISIONS		
Provision for employee benefits		
- Provision for bonus	117.64	118.54
- Provision for leave encashment	10.17	9.18
- Retirement benefits	15.69	13.31
Proposed dividend	37.48	37.48
Income tax on proposed dividend	3.00	2.55
TOTAL	183.98	181.06

Notes to the financial statements for the year ended 31st December, 2014**NOTE 9 : FIXED ASSETS**

(₹ in Lacs)

Description	Gross Block				Depreciation				Net Block	
	Cost as at 01.01.2014	Addition During the Year	Cost of Assets sold / discarded/Adjusted	Total as at 31.12.2014	Balance as on 01.01.2014	Addition During the Year	Adjustment/ Written Back during the Year	Total upto 31.12.2014	Balance as at 31.12.2014	Balance as at 31.12.2013
Tangible										
Land & Plantation	4,483.47	98.04	40.26	4,541.25	-	-	-	-	4,541.25	4,483.47
Building	615.18	5.61	-	620.79	232.57	13.10	-	245.67	375.12	382.61
Roads & Bridges	46.50	0.25	-	46.75	12.73	0.76	-	13.49	33.26	33.77
Plant & Machinery and Electric Installation	962.40	88.76	2.80	1,048.36	652.65	42.12	2.80	691.97	356.39	309.75
Water Installation	512.61	44.36	-	556.97	200.24	21.74	-	221.98	334.99	312.37
Furniture, Fittings & Other Equipments	87.68	3.32	-	91.00	60.60	3.65	-	64.25	26.75	27.08
Vehicles	209.85	74.44	12.77	271.52	105.89	13.69	5.85	113.73	157.79	103.96
TOTAL	6,917.69	314.78	55.83	7,176.64	1,264.68	95.06	8.65	1,351.09	5,825.55	5,653.01
Previous Year Total	6,726.50	267.49	76.30	6,917.69	1,197.29	87.18	19.79	1,264.68	5,653.01	

Capital Work In Progress-Tangible Assets

Description	As at 31.12.2014	As at 31.12.2013
Opening Balance	12.17	7.12
Add : Addition made during the Year	0.18	12.17
Less : Capitalised during the Year	(12.17)	(7.12)
Closing Balance	0.18	12.17

NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated)

(₹ in Lacs)

	As at 31st December, 2014		As at 31st December, 2013	
	Nos.	Amount	Nos.	Amount
Non trade - investments				
A. Quoted				
In fully paid equity shares				
Agri-Tech (I) Limited of ₹ 10 each	820	0.19	820	0.19
Alsa Marine & Harvests Limited of ₹ 10 each	800	0.34	800	0.34
Ambuja Cement Limited of ₹ 2 each	615	-	615	-
Cerebra Integrated Technologies Limited of ₹ 10 each	15,132	9.26	15,132	9.26

Notes to the financial statements for the year ended 31st December, 2014

NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated) (Contd.)

(₹ in Lacs)

	As at 31st December, 2014		As at 31st December, 2013	
	Nos.	Amount	Nos.	Amount
A. Quoted				
Dhunseri Investments Limited of ₹ 10 each	75	–	75	–
DSQ Software Limited of ₹ 10 each	1,200	3.53	1,200	3.53
Electrosteel Steels Limited of ₹ 10 each	175,000	17.50	175,000	17.50
Jindal Steel & Power Limited of ₹ 1 each	300	1.58	300	1.58
JSW Steel Limited of ₹ 10 each	326	2.24	326	2.24
Kirloskar Multimedia Limited of ₹ 10 each	50,000	5.00	50,000	5.00
Kirtivardhan Finvest Service Limited of ₹ 1 each	560	–	560	–
LCC Infotech Limited of ₹ 2 each	5,000	–	5,000	–
Moving Pictures Company (I) Limited of ₹ 10 each	6,958	3.83	6,958	3.83
Mukand Engineers Limited of ₹ 10 each	34,690	29.99	34,690	29.99
Namaste Exports Limited of ₹ 10 each	500	–	500	–
Nath Bio-Genes (I) Limited of ₹ 10 each	902	0.21	902	0.21
Techindia Nirman Limited (Nath Seeds Limited) of ₹ 10 each	2,378	0.55	2,378	0.55
Ojas Techno Chem Product Limited of ₹ 10 each	41,900	6.65	41,900	6.65
Padmini Technologies Limited of ₹ 10 each	8,100	11.87	8,100	11.87
Raj Rayon Industries Limited of ₹ 1 each	71,900	3.18	71,900	3.18
RDL Infotech Limited of ₹ 10 each	25,000	2.50	25,000	2.50
Reliance Capital Limited of ₹ 10 each	49	0.88	49	0.88
Reliance Communications Limited of ₹ 5 each	3,090	10.76	3,090	10.76
Reliance Industries Limited of ₹ 10 each	242	1.69	242	1.69
Reliance Infrastructure Limited of ₹ 10 each	506	9.77	506	9.77
Reliance Power Limited of ₹ 10 each	22	–	22	–
Srei Infrastructure Finance Limited of ₹ 10 each	21,780	12.77	21,780	12.77
Step Two Corporation Limited of ₹ 10 each	700	0.07	700	0.07
Suvarna Aqua Farm & Export Limited of ₹ 10 each	200	0.03	200	0.03
Tata Steel Limited of ₹ 10 each	571	0.95	571	0.95
TCM Limited of ₹ 10 each	800	0.28	800	0.28
Tecil Chemicals & H.P. Limited of ₹ 10 each	200	0.06	200	0.06
TOTAL		135.68		135.68

Notes to the financial statements for the year ended 31st December, 2014**NOTE 10 : NON-CURRENT INVESTMENTS (at cost unless otherwise stated)**
(Contd.)

(₹ in Lacs)

	As at 31st December, 2014		As at 31st December, 2013	
	Nos.	Amount	Nos.	Amount
B. Unquoted				
In fully paid equity shares				
Ambition Vyapaar Private Limited of ₹ 10 each	2,000	0.20	2,000	0.20
Diana Capital Limited of ₹ 10 each	117,370	24.33	117,370	24.33
Janak Steel Tubes Limited of ₹ 100 each	20,300	203.00	20,300	203.00
Orkay Industries Limited of ₹ 10 each	2,800	0.67	2,800	0.67
Rank Aqua Estates Limited of ₹ 10 each	1,000	0.45	1,000	0.45
Sonal International Limited of ₹ 10 each	5,000	1.80	5,000	1.80
TOTAL		230.45		230.45
Less : Diminution in Value of Unquoted Investments		3.10		2.93
GRAND TOTAL VALUE OF INVESTMENT		363.03		363.20
Aggregate Market Value of Quoted Investments		49.58		43.97

NOTE 11 : LONG-TERM LOANS AND ADVANCES

	As at 31st December, 2014	As at 31st December, 2013
Capital Advances		
- Unsecured, considered good	284.83	278.55
Security Deposits		
- Unsecured, considered good	5.41	5.32
MAT credit receivable	41.63	39.05
TOTAL	331.87	322.92

NOTE 12 : OTHER NON-CURRENT ASSETS

	As at 31st December, 2014	As at 31st December, 2013
Deferred Reserve Fund	3.27	2.54
TOTAL	3.27	2.54

NOTE 13 : CURRENT INVESTMENTS

	As at 31st December, 2014		As at 31st December, 2013	
	Nos.	Amount	Nos.	Amount
In Debentures				
Quoted				
16% Redeemable Debenture of Lodha Developers Limited	—	—	4	5.50
TOTAL		—		5.50

During the year redemption has been made in respect of investment held by the company.

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 14 : INVENTORIES	As at 31st December, 2014	As at 31st December, 2013
Stores and spares (#)	292.30	241.42
Stock of tea and tea waste (##)	992.57	769.64
TOTAL	1,284.87	1,011.06

Stores and spares includes goods in transit amounting ₹ 9.07 Lacs (Previous Year ₹ 9.57 Lacs).

Stock of Tea includes 7,33,503 Kgs. valuing ₹ 937.24 Lacs lying with other Parties (Previous year 5,58,953 Kgs. valuing ₹ 674.34 Lacs).

NOTE 15 : TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered good	19.71	26.18
- Doubtful (#)	1.09	1.09
Others		
- Unsecured, considered good	348.72	357.30
TOTAL	369.52	384.57

No provision has been made for Sundry Debtors amounting to ₹1.09 Lacs which is under litigation and considered as doubtful of recovery (Previous year ₹ 1.09 Lacs).

NOTE 16 : CASH AND CASH EQUIVALENTS		
Balance with banks :		
Current accounts	8.75	14.34
Deposit accounts (#)	28.97	38.08
Unpaid dividend accounts	7.08	5.92
Cash in hand	11.84	5.28
TOTAL	56.64	63.62

Pledged with Banks against issue of Bank Guarantees.

Notes to the financial statements for the year ended 31st December, 2014**NOTE 17 : SHORT-TERM LOANS AND ADVANCES**

(₹ in Lacs)

	As at 31st December, 2014	As at 31st December, 2013
Unsecured, considered good unless otherwise stated		
Loans and advances :		
- Considered Good	1,330.00	1,132.50
- Considered Doubtful (#)	161.00	173.45
Other loans and advances (Other Loans and Advances includes Commercial Advance, advance to employees and unexpired expenses etc.)	118.66	93.99
Balance with Statutory authorities	0.10	0.11
Income tax advance (net of provisions)	94.96	69.68
TOTAL	1,704.72	1,469.73

- # a. No provision has been made for loan receivable amounting to ₹ 146.00 Lacs (Previous Year ₹ 158.45 Lacs) as considered doubtful of recovery during the year. Hence no interest has been provided on the said loan.
- b. Further it also includes advances given to Shruti Trade & Enterprises Pvt. Ltd. amounting to ₹ 15.00 Lacs (Previous Year ₹ 15.00 Lacs) which is doubtful of recovery. However no provision has been made for the same as the Company has filed suit in Hon'ble High Court for Winding up of said Company.

NOTE 18 : OTHER CURRENT ASSETS

Interest Accrued on Loans, Deposit (a)	89.79	92.05
Replantation subsidy receivables :		
- Considered Good	2.65	2.65
- Considered Doubtful (b)	7.81	7.81
TOTAL	100.25	102.51

- (a) Interest Accrued on loans includes interest receivable from Shruti Trade & Enterprises Pvt. Ltd. amounting to ₹ 1.45 Lacs (Previous year ₹ 1.45 Lacs) which is doubtful of recovery. However no provision has been made for the same as the company has filed suit in Hon'ble High Court for Winding up of said Company. Further interest receivable includes interest from DDS Steel Rolling Mills amounting to ₹ 4.99 Lacs (Previous year ₹ 4.99 Lacs) which is doubtful of recovery but no provision has been done for the same.
- (b) No provision has been made for Replantation Subsidy Receivable amounting to ₹ 3.67 Lacs (Previous year ₹ 3.67 Lacs) for the year 1997-98 in respect of Ambari Tea Estate and ₹ 4.14 lacs (Previous Year ₹ 4.14 Lacs) in respect of Goodhope Tea Estate for the year 1994 - 95, which is considered as doubtful of recovery.

NOTE 19 : REVENUE FROM OPERATIONS

	For the year ended 31st December, 2014		For the year ended 31st December, 2013	
Gross Revenue from sale of Products	4,371.77		3,978.45	
Less : Excise Duty & Cess	15.89	4,355.88	15.97	3,962.48
Other Operating Revenues :				
- Replantation Subsidy		20.51		54.52
- Miscellaneous Sale		3.44		7.59
TOTAL		4,379.83		4,024.59

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 20 : OTHER INCOME	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Interest Income on Loans and Bank Deposits	176.61	121.22
Interest Income on Debenture	0.83	4.13
Dividend Income	0.66	0.61
Claims	–	0.19
Profit on Sale/Discard of Fixed Assets (net)	–	1.42
Sundry balance Written Back	14.24	28.30
Transferred from Capital Reserve	0.50	0.50
TOTAL	192.84	156.37

NOTE 21 : COST OF MATERIAL CONSUMED	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Green leaf (Purchased and Consumed)	238.36	160.22
TOTAL	238.36	160.22

NOTE 22 : CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Opening Stock of Tea	769.64	710.71
Closing Stock of Tea	992.57	769.64
TOTAL	(222.93)	(58.93)

NOTE 23 : EMPLOYEE BENEFIT EXPENSES	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Salaries, Wages, Bonus and Gratuity	1,984.53	1,708.32
Contribution to Provident & Other Funds	169.95	218.41
Workers & Staff Welfare expenses	190.26	167.15
TOTAL	2,344.74	2,093.88

NOTE 24 : FINANCE COSTS	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Interest to banks for working capital finance	39.08	103.08
Interest on term loan	42.11	43.44
Interest to others	2.41	0.07
Bank Charges	8.67	15.28
Interest on Tea Board SPTF Scheme	10.26	21.67
Hire Purchase Finance Charge	1.24	2.17
TOTAL	103.77	185.71

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

NOTE 25 : OTHER EXPENSES	For the year ended 31st December, 2014	For the year ended 31st December, 2013
Stores & spares consumed	486.80	458.82
Power and fuel	659.75	546.35
Repairs & Maintenance :		
- Buildings	39.03	38.06
- Plant & Machinery	40.80	36.69
- Others	33.93	31.13
Tea Selling Expenses :		
- Brokerage, Commission & Service Charges	75.82	71.79
- Freight, Warehouse and Other Selling Expenses	132.92	99.24
Office Rent	1.80	1.80
Rates and Taxes	7.23	11.69
Insurance charges	7.73	7.59
Payment to auditors	3.27	3.22
Loss on Sale/Discard of Fixed Assets (net)	3.09	-
Provision for Diminution in value of Investments	0.17	-
Loss on Discard of Tea Plantation	9.22	11.90
Donation	10.28	11.03
Sundry balance Written Off	5.11	4.45
Miscellaneous expenses	232.97	203.82
TOTAL	1,749.92	1,537.58
Payment to auditors includes		
Auditor's Remuneration and expenses :		
- Audit fees	1.50	1.51
- Other Services	1.42	1.26
- Reimbursement of expenses	0.35	0.45
TOTAL	3.27	3.22

Notes to the financial statements for the year ended 31st December, 2014

NOTE 26 : SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies what have been applied consistently is set out below.

1) **Basis of Preparation**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

2) **Use of Estimates**

The Preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expense, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

3) **Revenue Recognition**

3.1) The Company follows the Mercantile System of accounting and recognizes income and expenditure on an accrual basis.

3.2) Sales are net of Sales Tax wherever applicable.

4) **Fixed Assets**

Fixed assets are stated at cost (or revalue amounts, as the case may be) less accumulated depreciation.

Cost includes purchase price net of MODVAT/CENVAT and any directly attributable cost of bringing the assets to working condition for the intended use.

Expenditure incurred on extension planting and for upkeep of the same up to commercial plucking are capitalised.

Subsidies from Government in respect of Fixed Assets are deducted from the cost of respective assets on receipt/ settled.

5) **Replantation Expenditure**

Expenditure on replanting and maintenance of replantation has been carried forward under Fixed assets as Plantation.

6) **Impairment of Fixed Assets**

An impairment loss is recognised where applicable when the carrying value of the fixed assets of a cash generating unit exceeds its net selling price or value in use, whichever is higher.

7) **Depreciation & Amortization**

Depreciation on fixed assets has been provided on Straight Line Method as per provision of Section 205(2)(b) of the Companies Act, 1956, applying the rates as prescribed in the Schedule XIV of the Companies Act, 1956.

No provision has been made in respect of amortization of leasehold Land & Plantation.

8) **Contingent Liabilities**

Contingent Liabilities are generally not provided for, in the accounts and are separately shown in the Notes to the Accounts.

9) **Inventories**

Stock of Tea is valued at lower of cost computed on annual average basis or net realisable value. Stock of Tea Waste is valued at estimated realisable value.

Notes to the financial statements for the year ended 31st December, 2014

Stock of stores and spares are valued at cost on weighted average basis or net realisable value.

As per practice followed by the Company the value of green leaf in stock as at the close of the year are not taken into accounts.

Provision is made for obsolete and slow moving stores wherever necessary.

10) Investments

Investments are classified as Non Current Investments and Current Investments (Investments intended to be held for not more than one year). Current Investments are carried at lower cost or fair value and provision is made to recognize any decline in the carrying value. Long Term Investments are carried at cost and provision is made to recognize any decline, other than temporary in the value of such investments. Cost includes purchase price plus brokerage and transfer cost.

11) Excise Duty & Cess on Tea Production

Excise Duty & Cess on tea as applicable on manufactured goods is accounted for at the time of clearance. However, provision for Cess is made at the year end on finished goods lying in stock at factory.

12) Retirement Benefits

- a) Gratuities are paid in accordance with the Payment of Gratuity Act, 1972 and accounted for, as and when paid/payable.
- b) The Company contributes to the Employees Provident Fund maintained under the Employees Provident Fund Scheme run by the Central Government and are charged against revenue each year.
- c) Leave salary is accounted for on accrual basis.

13) Income Tax

Provision is made for Income-Tax on a yearly basis under the tax payable method based on tax liability as computed after taking credit for allowances, expenses and carry forward losses. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted.

Deferred tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods. Deferred tax assets are recognized for all deductible timing differences, unabsorbed depreciation and carry forward of losses only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets/liability is reviewed at each balance sheet date and the consequential adjustments are carried out.

14) Provisions

A Provision is recognised when there is an obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made.

15) Borrowing costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are being capitalised as part of the cost of that assets and other borrowing costs are recognised as an expense of the year in which they are incurred.

16) Grants/Subsidies

Subsidies from government in respect of fixed assets are deducted from the cost of respective assets.

Other subsidies are accounted for on accrual basis when one is reasonably certain of its receipt. Duty drawbacks are recognised as deduction in reporting the related expenditure.

Notes to the financial statements for the year ended 31st December, 2014

17) Foreign Currency Transactions

- Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transactions.
- The foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rate prevailing at the close of the year and exchange difference arising therefrom, is charged to the statement of Profit and Loss.
- In case of transactions covered by forward contracts, the difference between the contract rate and exchange rate prevailing on the date of transaction is charged to the Statement of Profit and Loss, proportionately over the period of contract.

NOTE 27 : ADDITIONAL INFORMATIONS

- 1) **Contingent Liability not provided for in respect of** (₹ in Lacs)
- | Particulars | As at
31st December, 2014 | As at
31st December, 2013 |
|---|------------------------------|------------------------------|
| Claims & Govt. Demand against the company not acknowledged as debt : | | |
| - Sales Tax Matter under dispute / appeal | 42.90 | 47.90 |
| - Income Tax matter under dispute / appeal | 9.75 | 30.97 |
| - Other matter not acknowledged as debt | 254.40 | 254.40 |
| Bank Guarantee | 99.79 | 93.99 |
- 2) Depreciation as calculated includes additional charges of ₹ 0.50 Lacs on revalued assets and an amount equivalent to the additional charges has been transferred to Statement of Profit and Loss from Capital Reserve (Revaluation of Fixed Asset) such transfer according to an authoritative Professional view being acceptable for the purpose of the Companies annual accounts.
- 3) The company had recognized ₹ 123.17 Lacs as exceptional item in the financial year 2013 which was written off on account of settlement in case of its sale of Ambari Tea Estate.
- 4) During the previous year 2013, Company has reversed Dividend Distribution tax amounting to ₹ 21.89 Lacs in excess of 40% of the proposed Dividend as made in earlier years in view of the favourable order from the Hon'ble Supreme Court in the case of Jayshree Tea & Industries Ltd. vs Union of India, and the Company continue to provide Dividend Distribution Tax on 40% of Total Profit Distributed as Dividend.
- 5) In accordance with the AS-28 on Impairment of Assets, the company has assessed as on the balance sheet date, whether there are any indication (listed in paragraphs 8 to 10 of the standard) with regard to impairment of any assets. Based on such assessment, it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly, no impairment loss has been provided in the books of accounts.
- 6) The Company has not received any information from its suppliers regarding registration under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence, the information required to be given in accordance with Section 22 of the said Act, is not ascertainable. Hence, not disclosed;
- i) However Sundry Creditors includes ₹ Nil (Previous year – ₹ Nil) due to Small Scale Industrial undertakings to the extent such parties have been identified from the available documents/information.
 - ii) No interest was paid by the company in terms of section 16 of MSMED Act during the year.
 - iii) There was no interest for delay in making payment beyond appointed date.
 - iv) There is no interest accrued and remaining unpaid beyond the appointed date.

Notes to the financial statements for the year ended 31st December, 2014

- v) No interest is remaining due and payable even in succeeding years, until such that when the interest dues as above are actually paid to Micro, Small and Medium Enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the aforesaid Act.
- 7) The disclosures required under Accounting Standard 15 (Revised 2005) "Employee Benefits" notified in the Companies (Accounting Standards) Rules, 2006, are given below :

a)		(₹ in Lacs)
	Defined Contribution Plan - Provident Fund	
	Employer's contribution to Provident Fund	150.87
	Employees' contribution to Provident Fund	150.87

b) Defined Benefit Plan – Gratuity

No provision has been made in respect of present liabilities for future payment of gratuity to the staff and workers, which will be charged to accounts as and when paid. According to actuarial valuation under Revised AS-15, the liability for gratuity obligation to staff and workers as on 31st December, 2014 is ₹ 940.06 Lacs (Previous Year ₹ 859.17 Lacs) and the net liability is ₹ 573.52 Lacs (Previous Year ₹ 506.03 Lacs).

The Company extends defined benefit plan in the form of gratuity to employees. Contribution to gratuity is made to Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd., SBI Life Insurance Company Ltd., Birla Sunlife Insurance Company Ltd. and Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd. in accordance with the scheme framed by the Corporation. The details are as under :

Liability to be recognised in Balance Sheet as on 31.12.2014	(₹ in Lacs)
Present value of Obligations	940.06
Fair Value of Plan Assets	366.54
Net Asset/(Liability) not recognised in the Balance Sheet	(573.52)
Change in Plan Assets (Reconciliation of Opening & Closing Balances)	
Fair Value of Plan Assets as on 01.01.2014	353.14
Expected Return on Plan Assets	28.25
Actuarial Gain/(Losses)	(14.85)
Contributions	–
Benefits Paid	–
Fair Value of Plan Assets as at 31.12.2014	366.54
Reconciliation of Opening and Closing Balances of Obligation	
Change in defined Benefit Obligation	
Obligation as at 01.01.2014	859.17
Current Service Cost	44.42
Interest cost	68.73
Actuarial Losses/(Gain)	(32.26)
Benefits Paid	–
Obligation as on 31.12.2014	940.06

Notes to the financial statements for the year ended 31st December, 2014

(₹ in Lacs)

Expenditure to be recognised during the year	
Current Service Cost	44.42
Interest Cost	68.73
Expected Return on Plan Assets	(28.25)
Net Actuarial Losses/(Gain) recognised during the year	(17.40)
Total Expenditure/(Income) required to recognise in the Statement of Profit and Loss but not recognised	67.50
Assumptions	
Discount Rate (Per Annum)	8.00%
Expected Rate of Return on Assets (Per Annum)	8.00%
Salary Escalation Rate	6.00%

The discount rate is based upon the market yield available on government bonds at the accounting date within a term that matches that of the liabilities and the salary increase should take account Inflation, Seniority, Promotion and other relevant factors.

- 8) In accordance with Accounting Standard 13 issued by the Council of the Institute of Chartered Accountants of India, the Long Term Investments in respect of quoted investment held by the Company are valued at cost and ₹ 91.68 Lacs (Previous year ₹ 96.20 Lacs) being diminution in values thereof has been considered by the management to be temporary and accordingly has not been recognized in this account. These would, however be covered adequately by the Company's year-end Reserves & Surplus. However, in respect of Unquoted investments, provision for diminution has been made amounting to ₹ 0.17 Lacs (Previous year ₹ Nil) on account of diminution which are of permanent in nature.
- 9) The Company's profits for the period 1st April, 2014 to 31st December, 2014 together with those for the subsequent period to 31st March, 2015 will be assessable (including under section 115JB of the Income Tax Act, 1961) as one composite income for the Assessment Year 2015-2016 and in the view of this, no provision for the taxation and Deferred Tax Liability has been made as the tax liability in respect of the said period of Nine months cannot be quantified at present. However provision for Income Tax for the Three month from 1st Jan, 2014 to 31st March, 2014 along with previous Nine month from 1st April, 2013 to 31st December, 2013 has been ascertained and duly provided.
- 10) In accordance with the Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has reviewed the net deferred tax liability/assets as at 31st March, 2014 and the net deferred tax Liability have been computed ₹ 139.64 Lacs. Accordingly the deferred tax amounting to ₹ 44.60 Lacs for the year has been recognized in the Statement of Profit and Loss and the Deferred Tax Liability for the period from 1st April 2014 to 31st December, 2014 has not been provided in view of the above note number (9).
- 11) In the opinion of the Board of Directors of the Company the Current Assets, Loans, Advances and Deposits are approximately of the value stated in the accounts, if realised, in ordinary course of business unless otherwise stated. The provisions for all known liabilities are adequate and not in excess of the amount reasonably required.
- 12) The Company is engaged in the business of integrated activities of manufacture and sale of tea, predominantly in the domestic market. Hence, there is no reportable segment as per the Accounting Standard - 17 on "Segment Reporting" as issued by the ICAI.

Notes to the financial statements for the year ended 31st December, 2014

13) Earnings Per Share:

Basic and Diluted Earnings Profit/(Loss) per share			
Sl. No.	Particulars	31st December 2014	31st December 2013
a)	Profit /(Loss) for the year attributable to Equity Share Holders (₹ in Lacs)	216.54	(47.90)
b)	Number of Equity Shares of ₹ 5 /- each outstanding during the year. (Nos in lacs)	149.91	149.91
c)	Basic & Diluted Earnings per share (In ₹)	1.44	(0.32)

14) Related Party Disclosures (₹ in Lacs)

Name of Party	Nature of Relation	Description of Transaction	Transaction during year ended on 31st December		Balance Outstanding as on 31st December	
			2014	2013	2014	2013
Singhania Builders Ltd.	Directors interested as Directors	Rent Paid	1.80	1.80	–	–
		Electricity Expenses paid	2.69	2.42	–	0.30
		Maintenance charges paid	0.54	0.64	–	–
Mr. Sandeep Singhania	Key Management Personnel	Remuneration & Perquisites	33.80	29.41	–	–
Mrs. Sarita Singhania	Key Management Personnel	Remuneration & Perquisites	20.36	12.10	–	–
Diana Capital Ltd.	Holding Company	Loan Taken	39.22	44.50	31.87	47.55
		Repayment	54.90	187.65		
Woodville Properties & Finance Ltd.	Directors interested as Directors	Interest	–	–	–	0.39

15) Remuneration to Key Management Personnel (₹ in Lacs)

Sl. No.	Particulars	Year ended 31st December, 2014	Year ended 31st December, 2013
a)	Salary & Bonus	48.00	36.89
b)	Contribution to Provident Fund	5.76	4.43
c)	Perquisites	0.40	0.19

16) Expenditure in Foreign Currency (₹ in Lacs)

Particulars	Year ended 31st December, 2014	Year ended 31st December, 2013
Travelling & Others	63.52	41.14

Notes to the financial statements for the year ended 31st December, 2014

17) Details of Raw Materials consumed during the year (All Indigenous)

Particulars	Year ended 31st December, 2014		Year ended 31st December, 2013	
	Quantity (Kgs.)	Amount (₹ in Lacs)	Quantity (Kgs.)	Amount (₹ in Lacs)
Green Leaf harvested (Green leaf harvested from Company's own gardens and utilized in the integrated activity of manufacture and value at the intermediate stage is not ascertainable)	1,22,42,751	—	1,21,90,465	—
Green Leaf Purchased	14,25,917	238.36	9,61,615	160.22

18) Detail of Finished Goods, Production, Purchase, Stock and Sales

Particulars	Year ended 31st December, 2014		Year ended 31st December, 2013	
	Quantity (Kgs.)	Amount (₹ in Lacs)	Quantity (Kgs.)	Amount (₹ in Lacs)
Actual production (excluding tea issued for sampling, shortage, tea waste destroyed & complimentary 29,021 Kgs.) (Previous Year 26,852 Kgs.)	31,53,021	—	30,63,934	—
Opening Stock	6,37,945	769.64	6,14,840	710.71
Purchase	—	—	—	—
Closing Stock	7,76,801	992.57	6,37,945	769.64
Gross Sales	30,14,165	4371.77	30,40,829	3978.45

19) Value of Imported/Indigenous Stores and Spare Parts consumed and percentage thereof

Particulars	Year ended 31st December, 2014		Year ended 31st December, 2013	
	Amount (₹ in lacs)	%	Amount (₹ in lacs)	%
All Indigenous	486.80	100	458.82	100

20) Figures for the previous year have been regrouped, rearranged and recast wherever necessary.

For **DAS & PRASAD**
Chartered Accountants
Firm Registration No.303054E

A. K. Agarwal
Partner
Membership No. 062368
4,Chowringhee Lane, Kolkata - 700 016
Date : February 27, 2015

For and on behalf of the Board

Manoj Agarwala
Company Secretary

Ramesh Kumar Jhunjhunwala
Chief Financial Officer

Sandeep Singhania
Managing Director

Sarita Singhania
Director (Sales & Marketing)

E-COMMUNICATION REGISTRATION FORM

To

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane, 2nd Floor
Kolkata – 700 001
Phone : (033) 2243-5029/5809, 2248-2248
Fax : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Dear Sir,

Sub: Registration of my e-mail address - Green Initiative in Corporate Governance

I agree to receive the documents in electronic mode.

Please register my e-mail address, PAN & contact details in your records.

Folio No	
Email Id	
PAN No.	
Phone No.	
Mobile No.	
Name of First/Sole Holder	
Signature of the First/Sole Holder	

Date : _____

Notes:

1. Shareholder(s) are requested to keep the Registrar & Share Transfer Agents informed of any change in their email address.
2. Shareholder(s) are requested to attach a self attested copy of PAN.
3. The above email address will be registered subject to verification of your signature with the specimen signature registered with the Registrar & Share Transfer Agents.



List of products

Bulk Packing Jute bags
(in 26 kgs & 35 kgs)

Tea Chest
(in 26 kgs & 35 kgs)

Poly Pouch Pack
(3 varieties in 25 gms)

Tea Bags
(25 bags & 100 bags pack)

Mini Chestlet
(500 gms)



DIANA TEA COMPANY LIMITED

"SIR R. N. M. HOUSE"

3/B, Lal Bazar Street, 4th Floor, Kolkata - 700 001, India

Phone : (033) 2248 8672, 4066 1590-93, Fax : (033) 2248 7571

E-mail : contactus@Dianatea.in

CIN : L15495WB1911PLC002275

DIANA TEA COMPANY LIMITED

CIN: L15495WB1911PLC002275

Regd. Office: SIR R N M HOUSE, 3B LAL BAZAR STREET, KOLKATA 700 001, Phone: (033) 4066 1590-93, Fax: (033) 2248 7571

E-mail: contactus@dianatea.in**ATTENDANCE SLIP**Name :
Address :Serial No.:
No. of Shares :

Name(s) of joint Holder(s), if any :

Folio/*DP ID & *Client ID No. :

I/We hereby record my/our presence at **104TH ANNUAL GENERAL MEETING ON FRIDAY, JUNE 26, 2015 AT 10:30 A.M. at Gyan Manch Education Society Hall, 11, Pretoria Street, Kolkata-700071.**

Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

* Applicable for shares held in electronic form.

ELECTRONIC VOTING PARTICULARS

EVSN (E-Voting Sequence Number)	User ID	Password/PIN
150519001		

Please refer to the AGM Notice for e-voting instruction

PROXY FORM MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

DIANA TEA COMPANY LIMITED

CIN: L15495WB1911PLC002275

Regd. Office: SIR R N M HOUSE, 3B LAL BAZAR STREET, KOLKATA 700 001, Phone: (033) 4066 1590-93, Fax: (033) 2248 7571

E-mail: contactus@dianatea.in**104TH ANNUAL GENERAL MEETING ON FRIDAY, JUNE 26, 2015 AT 10:30 A.M.**

I/We, being the member(s), holding.....shares of Diana Tea Company Limited hereby appoint :

- (1) Name Address.....
E-mail Id..... Signature.....or failing him/her
- (2) Name Address.....
E-mail Id..... Signature.....or failing him/her
- (3) Name..... Address.....
E-mail Id..... Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **104TH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON FRIDAY, JUNE 26, 2015 AT 10:30 A.M. AT "Gyan Manch Education Society Hall", 11, Pretoria Street, Kolkata-700 071** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
ORDINARY BUSINESS	
1.	Consider and adopt the Audited Balance Sheet of the Company as at December 31, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2.	Declare Dividend on Equity Shares.
3.	Re-Appointment of Mr. Sandeep Singhania (DIN:00343837) who retires by rotation and being eligible offers himself for re-appointment.
4.	Appointment of Statutory Auditors and fixing their remuneration.
SPECIAL BUSINESS	
5.	Appointment of Mr. Gautam Bhalla as an Independent Director of the Company.
6.	Appointment of Mr. Harish Parekh as an Independent Director of the Company.
7.	Appointment of Mr. N.F. Tankariwala as an Independent Director of the Company.
8.	Appointment of Cost Auditors of the Company and ratify their Remuneration.
9.	Re-appointment of Mr. Sandeep Singhania as Managing Director of the Company and approval of overall remuneration payable to him.

Signed thisday of2015

Member's Folio / DP ID & Client ID No.....Signature of Shareholder (s).....

Signature of Proxy holder(s).....

Notes : 1. The proxy duly completed should be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of meeting.

2. A Proxy need not be Shareholder of the Company.

3. A person can act as a proxy on behalf of the shareholders not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company, carrying voting rights. A Shareholder holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any person or Shareholder.

4. In case of Joint Holders, the Signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Affix
Revenue
Stamp